

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON APRIL 17, 2001 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 DONALD H. ROWELL LEROY SCOTT
OTHERS PRESENT	HUSTON BRETT ASST. CHIEF ROY JOHNSON TOMMY HILL AND 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 WITH THE FOLLOWING AMENDMENTS:

ADD:

X. GENERAL BUSINESS

1. PROOF OF PUBLICATION

A. RESOLUTION OF INTENT TO ISSUE \$1.2 MILLION G.O. BONDS

2. APPROVAL TO APPLY FOR FIRE GRANT FROM FEMA

3. APPROVAL OF SUBORDINATION AGREEMENTS ON 106 & 108 NORTH GEORGE

4. RESIGNATION OF TARA BARNES AS DISPATCHER

5. APPROVE AMOUNT TO BE PAID TO POLLWORKERS

XIII. RESOLUTIONS

B) APPROVAL OF RESOLUTION RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF \$1.2 MILLION GENERAL OBLIGATION BONDS.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE MINUTES OF THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MS. OF APRIL 3, 2001.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ACCEPT THE MINUTES AS WRITTEN. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT AND HUSTON BRETT STATED THAT HE IS STILL HAVING PROBLEMS WITH SPEEDERS ON THE UNNAMED

STREET THAT RUNS BY THE CEMETARY ON THE CORNER OF SOUTH GEORGE AND WEST FOURTH STREET. MR BRETT STATED THAT HE WOULD LIKE TO SEE SOMETHING DONE ABOUT THE POLITICAL SIGNS ALL OVER TOWN.

THEREUPON, MAYOR GAY STATED THAT THE CITY HAS AN ORDINANCE IN PLACE THAT WILL REQUIRE THAT THE CANDIDATES REMOVE THEIR SIGNS WITHIN 3 DAYS AFTER THEIR RACE IS COMPLETED.

WHEREAS, MAYOR GAY REQUESTED THE WISHES OF THE BOARD CONCERNING THE MOBILE HOME OWNED BY ROBBY MCLAIN AT 147 N. RAILROAD. MAYOR GAY STATED THAT MR. MCLAIN HAS PURCHASED THE HOME AND ACCORDING TO THE CITY'S ORDINANCE THE MOBILE HOME CANNOT STAY WHERE IT IS PRESENTLY BECAUSE IT IS A NON-CONFORMING STRUCTURE IN THE CURRENT ZONING.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO GIVE MR. MCLAIN 60 DAYS OR UNTIL JUNE 17, 2001 TO REMOVE THE TRAILER FROM IT'S PRESENT LOCATION. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY REQUESTED THE WISHES OF THE BOARD CONCERNING THE MOBILE HOME INSPECTION FEES.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO AUTHORIZE THE CITY ATTORNEY TO DRAFT AN ORDER INCREASING THE MOBILE HOME INSPECTION FEES TO \$35.00 AND TO WAIVE THE FEE WITHIN A TWELVE MONTH PERIOD FOR STATIONARY MOBILE HOMES WHERE ONLY THE TENANTS CHANGE AND THE MOBILE HOME REMAINS IN COMPLIANCE. ALDERMAN ROWELL SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A CANCELLATION OF THE DEED OF TRUST RECORDED IN BOOK 747, PAGE 262 IN THE CHANCERY CLERK'S OFFICE ON THE RENTAL REHAB GRANT ON PROPERTY OWNED BY WILLIAM G. SANSING.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO CANCEL THE DEED OF TRUST ON MR. SANSING'S PROPERTY. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE POLICE CHIEF TO PUT ONE (1) 1984 BLUE VOLKSWAGON VAN, VIN#WV2YBZ258FHQ49799 INTO THE INVENTORY OF THE PETAL POLICE DEPARTMENT.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ACCEPT THE 1984 VOLKSWAGON VAN INTO THE POLICE DEPARTMENT INVENTORY. ALDERMAN SCOTT SECONDED THE MOTION,

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE PETAL HIGH SCHOOL PAPER STAFF FOR THE CITY TO PURCHASE AN AD IN THE SENIOR EDITION OF THE PAPER.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION THAT THE CITY PURCHASE A ONE-HALF PAGE AD IN THE AMOUNT OF \$50.00 IN THE PAPER. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
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 MARCH.

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ACCEPT THE REPORT. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF MARCH TO THE BOARD.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT THE REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF MARCH. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
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) RESOLUTION STATING THE CITY'S INTENT TO ISSUE UP TO \$1.2 MILLION IN GENERAL OBLIGATION BONDS

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE FIRE CHIEF TO AUTHORIZE THE APPLICATION FOR THE FIRE GRANT FROM FEMA.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO AUTHORIZE THE APPLICATION FOR A 90/10 GRANT FOR PERSONAL PROTECTIVE EQUIPMENT IN THE APPROXIMATE AMOUNT OF \$46,000.00 AND FOR FIREFIGHTING EQUIPMENT IN THE APPROXIMATE AMOUNT OF \$48,000.00. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM DOUG MONTAGUE FOR THE CITY TO EXECUTE SUBORDINATION AGREEMENTS FOR THE RENTAL REHAB PROPERTY AT 106 AND 108 NORTH GEORGE STREET OWNED BY WILLIAM GLENN SANSING, MARTIN G. JONES, ROBERT MADISON LOWE, AND CHARLES STEVEN SINGLETON.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO AUTHORIZE THOMAS W. TYNER, TRUSTEE, TO EXECUTE THE SUBORDINATION AGREEMENTS. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A LETTER OF RESIGNATION FROM TARA BARNES, DISPATCHER IN THE POLICE DEPARTMENT.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ACCEPT MS. BARNES RESIGNATION EFFECTIVE IMMEDIATELY. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY REQUESTED THE WISHES OF THE BOARD CONCERNING THE PAY FOR THE POLLWORKERS THE CITY WILL EMPLOY FOR THE UPCOMING MUNICIPAL ELECTIONS ON MAY 1, 2001, MAY 15, 2001, AND JUNE 5, 2001.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO PAY THE MUNICIPAL POLLWORKERS \$75.00 PER DAY AND TO PAY THE RECEIVING AND RETURNING MANAGERS AN ADDITIONAL \$10.00 FOR EACH ACTIVITY. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM DALE NUTTING TO TERMINATE EDWARD OWENS, STREET DEPARTMENT EMPLOYEE, EFFECTIVE APRIL 17, 2001 SINCE HE HAS NOT RETURNED TO WORK SINCE MONDAY APRIL 4, 2001.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO TERMINATE EDWARD OWENS EFFECTIVE APRIL 17, 2001 FOR FAILURE TO REPORT TO DUTY SINCE MAY 4, 2001. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING RESOLUTION RATIFYING THE SIGNING AND DISTRIBUTION OF THE OFFICIAL STATEMENT FOR THE ISSUANCE OF THE \$1.2 MILLION GENERAL OBLIGATION BONDS.

SEE EXHIBIT "A"

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) GENERAL OBLIGATION BONDS, SERIES 2001, OF THE CITY OF PETAL, MISSISSIPPI

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

THOSE PRESENT AND VOTING "YEA"

ALDERMAN CHARLES E. HOLBROOK
ALDERMAN DONALD H. ROWELL

THOSE PRESENT AND VOTING "NAY"

ALDERMAN WILLIE W. HINTON
ALDERMAN LEROY SCOTT

THEREUPON, THE VOTES HAVING BEEN TWO (2) FOR AND TWO (2) AGAINST THE ADOPTION OF THE FOREGOING RESOLUTION, THE MAYOR CAST A VOTE IN FAVOR OF THE ADOPTION OF THE RESOLUTION TO BREAK THE TIE VOTE; AND THEREFORE, THE MOTION HAVING RECEIVED THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS PRESENT, THE MAYOR DECLARED THE MOTION CARRIED.

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2001, IN THE PRINCIPAL AMOUNT OF \$1,200,000.

SEE EXHIBIT "B"

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2001, OF THE CITY OF

PETAL, MISSISSIPPI, IN THE PRINCIPAL, AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) TO RAISE MONEY FOR THE PURPOSE OF ERECTING MUNICIPAL BUILDINGS AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING ADORNING AND EQUIPPING THE SAME; REPAIRING, IMPROVING AND EXTENDING STORM AND DRAINAGE SYSTEMS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFORE; IMPROVING EQUIPPING AND ADORNING PARKS AND PUBLIC PLAYGROUNDS, INCLUDING CONSTRUCTING, REPAIRING AND EQUIPPING OTHER RECREATIONAL FACILITIES; AND PURCHASING MACHINERY AND EQUIPMENT WHICH HAVE AN EXPECTED USEFUL LIFE IN EXCESS OF TEN (10) YEARS NOT TO INCLUDE, ANY MOTOR VEHICLE WEIGHING LESS THAN TWELVE THOUSAND (12,000) POUNDS.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING ORDER HIRING KRISTI SCOTT IN THE STREET DEPARTMENT PURSUANT TO DALE NUTTING'S RECOMMENDATION.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN DO HEREBY DEEM IT NECESSARY TO HIRE AN ADDITIONAL LABORER IN THE STREET DEPARTMENT.

IT IS HEREBY ORDERED THAT KRISTI SCOTT BE HIRED AS A LABORER IN THE STREET DEPARTMENT EFFECTIVE APRIL 23, 2001 AT A RATE OF \$6.25 PER HOUR.

SO ORDERED ON THIS THE 17TH DAY OF APRIL, AD, 2001.

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

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, ALDERMAN SCOTT MADE A MOTION TO CLEAR THE ROOM TO DETERMINE IF THERE WAS A NEED FOR AN EXECUTIVE SESSION TO DISCUSS A PERSONNEL PROBLEM IN THE POLICE DEPARTMENT. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, MAYOR GAY REOPENED THE MEETING.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ENTER INTO AN EXECUTIVE SESSION TO DISCUSS A PERSONNEL PROBLEM IN THE POLICE DEPARTMENT. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO ADJOURN THE EXECUTIVE SESSION. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

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

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN ROWELL MADE A MOTION TO RECESS THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN UNTIL APRIL 24, 2001 AT 11:00 A.M. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
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 RECESSED ON THIS THE 17TH DAY OF APRIL, 2001 UNTIL 11:00 A.M. ON APRIL 24, 2001.



JACK GAY
MAYOR

(SEAL)



ATTEST: PRISCILLA DANIEL

EXHIBIT "A"

RESOLUTION

The Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of the City of Petal, Mississippi, took up for further consideration the matter of the issuance of General Obligation Bonds, Series 2001, of the City of Petal, Mississippi, in the principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000). After discussion of the subject, Alderman Charles E. Holbrook offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) GENERAL OBLIGATION BONDS, SERIES 2001, OF THE CITY OF PETAL, MISSISSIPPI.

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of the City of Petal, Mississippi, are receiving bids until the hour of 11:00 o'clock a.m. on May 17, 2001, for the sale of One Million Two Hundred Thousand Dollars (\$1,200,000) General Obligation Bonds, Series 2001 (the "Bonds"), of the City of Petal, Mississippi, dated June 1, 2001; and

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

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

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

SECTION 2. The City deems the Preliminary Official Statement to be "final" as described in SEC Rule 15c2-12(b)(1) (the "Rule") for the purposes of such Rule.

SECTION 3. That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

SECTION 4. That the City hereby certifies that it is in compliance with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") in connection with all applicable bond issues sold, issued and delivered by the City since July 1, 1995 and authorizes the Mayor and Board of Aldermen to execute the Certificate of the Mayor and Board of Aldermen of City of Petal, Mississippi, attached hereto as **EXHIBIT B**, in connection with the disclosure requirements regarding the distribution of the above referenced Preliminary Official Statement to prospective purchasers of the Bonds.

EXHIBIT "A"

SECTION 5. All orders, resolutions or proceedings of the Mayor and Board of Aldermen in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

SECTION 6. For cause, this resolution shall become effective immediately upon the adoption thereof.

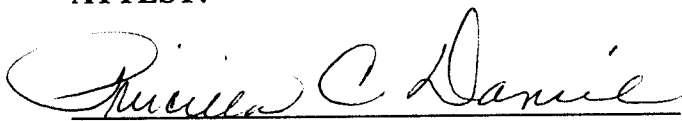
Following the reading of the foregoing Resolution, Alderman Donald H. Rowell seconded the motion for its adoption. The Mayor put the question to a roll call vote, and the result was as follows:

Alderman Willie W. Hinton	voted: Nay
Alderman Charles E. Holbrook	voted: Yea
Alderman Robert F. Langford	voted: Absent, not voting
Alderman Donald H. Rowell	voted: Yea
Alderman Leroy Scott	voted: Nay

The votes having been two (2) for and two (2) against the adoption of the foregoing Resolution, the Mayor cast a vote in favor of the adoption of the Resolution to break the tie vote; and therefore, the motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this the 17th day of April, 2001.

Mayor 

ATTEST:


City Clerk

(SEAL)

EXHIBIT "A"

EXHIBIT A

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT "A"

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 17, 2001

NEW ISSUE

In the opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, Bond Counsel, assuming continuing compliance by the City with the tax covenants and representations described herein, under existing law, interest on the Bonds is not includable in Federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating alternative minimum tax. In the case of corporate owners of the Bonds, interest on the Bonds will be included in the calculation of federal income tax liability under certain federal income taxes not solely based on items includable in gross income, including the calculation of the alternative minimum tax and the environmental tax as a result of the inclusion of interest on the Bonds in "adjusted current earnings". In addition, corporations that are subject to the branch profits tax imposed on certain foreign corporations and to the tax on "excess net passive income" imposed on S corporations will be required to include the interest on the Bonds in the calculation of such federal income taxes. See, "TAX EXEMPTION," herein, regarding certain collateral federal tax ramifications to certain individuals who are recipients of Social Security or Railroad Retirement Benefits and certain corporate owners of the Bonds. Bond Counsel is of the further opinion that interest on the Bonds is exempt from Mississippi State income taxation under existing laws. See "TAX EXEMPTION" herein.

\$1,200,000
GENERAL OBLIGATION BONDS, SERIES 2001
OF THE
CITY OF PETAL, MISSISSIPPI

DATED: June 1, 2001

DUE: June 1, as shown below

Interest is payable semiannually on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2002. The Bonds, in registered form and in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, will mature on June 1, with option of prior payment, in the years and principal amounts as follows:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>PRICE OR YIELD</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>PRICE OR YIELD</u>
2002	\$55,000	_____ %	_____ %	2010	\$ 80,000	_____ %	_____ %
2003	60,000	_____	_____	2011	85,000	_____	_____
2004	60,000	_____	_____	2012	90,000	_____	_____
2005	65,000	_____	_____	2013	95,000	_____	_____
2006	70,000	_____	_____	2014	100,000	_____	_____
2007	70,000	_____	_____	2015	105,000	_____	_____
2008	75,000	_____	_____	2016	110,000	_____	_____
2009	80,000	_____	_____				

Bonds maturing on June 1, 2009, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on June 1, 2008, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

The Bonds are being offered for sale in accordance with the official Notice of Bond Sale, dated April 17, 2001, the form of which is attached hereto as APPENDIX B.

Sealed bids for the Bonds will be received at 11:00 o'clock a.m. on May 17, 2001, by the Mayor and the Board of Aldermen of the City of Petal, Mississippi, in its meeting place in the City Hall of the City of Petal, Mississippi.

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

The Bonds are offered subject to the final approval of the legality thereof by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, Bond Counsel.

The date of this Official Statement is _____, 2001.

offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or

information contained herein are subject to completion or amendment. These securities may not be sold in such jurisdiction. Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these

This Preliminary Official Statement shall this Preliminary qualification under the securities la

EXHIBIT "A"

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

EXHIBIT "A"

CITY OF PETAL, MISSISSIPPI

***JACK GAY, JR.
MAYOR***

BOARD OF ALDERMEN

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

***PRISCILLA DANIEL
CITY CLERK***

***AULTMAN, TYNER, RUFFIN & YARBOROUGH, LTD.
PETAL, MISSISSIPPI
CITY ATTORNEY***

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

***BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC
JACKSON, MISSISSIPPI
BOND COUNSEL***

EXHIBIT "A"

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OFFICIAL STATEMENT

\$1,200,000

GENERAL OBLIGATION BONDS, SERIES 2001

OF THE

CITY OF PETAL, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the \$1,200,000 General Obligation Bonds, Series 2001, dated June 1, 2001 (the "Bonds"), of the City of Petal, Mississippi (the "City").

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

THE BONDS

Purpose and Authorization

The Bonds are being issued to provide funds for the purpose of erecting municipal buildings and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; repairing, improving and extending storm and drainage systems; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; improving, equipping and adorning parks and public playgrounds, including constructing, repairing and equipping other recreational facilities; and purchasing machinery and equipment which have an expected useful life in excess of ten (10) years not to include any motor vehicle weighing less than twelve thousand (12,000) pounds.

The Bonds will be issued pursuant to the provisions of Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended (the "Act"), and a Bond Resolution adopted by the Mayor and the Board of Aldermen of the City (the "Governing Body") on April 17, 2001 (the "Bond Resolution").

In order to issue the Bonds, the Governing Body adopted a resolution declaring its intention to issue the Bonds and gave notice of such intention by publication of said resolution in a newspaper published in the City. If ten percent (10%), or fifteen hundred, whichever had been less, of the qualified electors of the City had filed a written protest against the issuance of the Bonds on or before the date specified in said resolution, an election on the question of the issuance of the Bonds

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would have been held. April 3, 2001, was set by the Governing Body as the date on or before which written protest was required to have been filed. No written protest having been received on or before said date, the Governing Body is now authorized and empowered by the Act to issue the Bonds without the necessity of calling and holding an election on the question of the issuance thereof.

Security

The Bonds will be general obligations of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of principal of and the interest on the Bonds as the same falls due.

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

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

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

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

Form of the Bonds

The Bonds shall be dated June 1, 2001, shall be delivered in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity,

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shall be numbered from one upward in the order of issuance, shall be issued in fully registered form, and shall bear interest from the date thereof at the rate or rates specified herein, commencing June 1, 2002, and semiannually thereafter on June 1 and December 1 of each year.

Redemption Provisions

Bonds maturing on June 1, 2009, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on June 1, 2008, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. From and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue.

FINANCIAL ADVISOR

The City has retained the firm of Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi, as independent financial advisor (the "Financial Advisor") to the City in connection with the issuance of the Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the City with respect to the preparation of documents, the preparation for the sale of the Bonds and of the time of the sale, tax-exempt bond market conditions and other factors related to the sale of said Bonds.

Although the Financial Advisor performed an active role in drafting of the Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from municipal records and from other sources which are believed to be reliable, including financial records of the City and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the City. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

TAX EXEMPTION

General

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to delivery of the Bonds in order that the interest on the Bonds not be included in gross income of the registered owners for federal income tax purposes under Section 103 of the Code. The certificate as to non-arbitrage and other tax matters of the City, which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with such requirements of the Code. The City agrees, covenants and represents in the Bond Resolution that it will not make any use of the gross proceeds of the

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Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code, and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

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

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

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

Certain Federal Tax Information

General. The following discussion of certain federal income tax matters is a summary of possible collateral tax consequences. It does not purport to deal with all aspects of federal taxation that may be relevant to particular registered owners. Further, the following discussion should not be construed as expressing an opinion of Bond Counsel as to any such matters, not specifically addressed in their opinion. **Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.**

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

Environmental Tax. For taxable years beginning before January 1, 1996, Section 59A of the Code imposes an environmental tax of 0.12 percent on the excess, with certain modifications, of a corporation's alternative minimum taxable income, over \$2,000,000. The environmental tax imposed by Section 59A of the Code is imposed independently from the alternative minimum tax on corporations and is deductible from gross income. Interest on the Bonds is included in alternative minimum taxable income for purposes of the environmental tax, to the extent reflected in the adjustment for "adjusted current earnings."

Insurance Companies. Insurance companies, other than life insurance companies, are subject to the tax imposed by Section 831 of the Code. Section 832(b)(5)(B)(i) of the Code reduces the amount of certain loss deductions, otherwise allowed, in certain cases below zero, by 15 percent of, among other things, interest on tax-exempt obligations acquired after August 7, 1986, such as the Bonds.

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

The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(C) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry "qualified tax-exempt obligations" is deductible.

Branch Profits Tax. Section 884 of the Code imposes on certain foreign corporations a branch profits tax equal to 30 percent of the "dividend equivalent amount" for the taxable year. Interest on the Bonds received or accrued by a foreign corporation subject to the branch profits tax may be included in computing the "dividend equivalent amount" of such corporation.

Borrowed Funds. Section 265 of the Code denies a deduction for interest paid on borrowed funds to purchase or carry tax-exempt obligations. In addition, under rules used by the Internal

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Revenue Service for determining when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase of obligations may be considered to have been made with borrowed funds even though the borrowed funds are not directly traceable to the purchase of such obligations.

S Corporations. Section 1375 of the Code imposes a tax on the "excess net passive investment income" of S corporations that have Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporations is passive investment income. Interest on the Bonds is included in the calculation of excess net passive income.

Social Security and Railroad Retirement Benefits. Section 86 of the Code provides that interest on tax-exempt obligations is included in the calculation of modified adjusted gross income in determining whether a portion of Social Security or Railroad Retirement benefits are to be included in the taxable income of individual recipients of such benefits.

LIMITED CONTINUING DISCLOSURE

On November 10, 1994, the Securities and Exchange Commission (the "Commission") amended Rule 15c2-12 (as amended, "SEC Rule 15c2-12") which was originally adopted by the Commission in 1989 under the Securities Exchange Act of 1934 and set forth certain disclosure requirements relating to a primary offering of municipal securities. The amendments to SEC Rule 15c2-12, which are effective beginning July 3, 1995, add to the existing disclosure obligations relating to municipal securities by requiring that, prior to purchasing or selling municipal securities, brokers, dealers and municipal securities dealers must reasonably determine that the issuer of such municipal securities, together with any other "obligated persons," within the meaning of SEC Rule 15c2-12, have entered into an undertaking for the benefit of bondholders to make certain information available to bondholders on a continuing basis. The City is an "obligated person" with respect to the Bonds within the meaning of SEC Rule 15c2-12.

While Bond Counsel has determined that the City is not required to comply with the continuing disclosure requirements of SEC Rule 15c2-12, the City has covenanted in its Bond Resolution that pursuant to the Small Issuer Exemption under SEC Rule 15c2-12 of the Securities and Exchange Commission, the City will deliver or cause to be delivered, commencing with the fiscal year of the City ending after January 1, 2001, (i) to each person requesting same, financial information and operating data relating to the City, including audited financial statements of the City, and (ii) to the "nationally recognized municipal securities information repository," within the meaning of SEC Rule 15c2-12, and certain other entities described in SEC Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), notice of any material events relating to the Bonds and the City, if the City deems such events to be material as set forth under SEC Rule 15c2-12. If applicable, anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465 Telephone Number: (601) 545-1776.

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For a summary of the City's undertaking, see "APPENDIX E - FORM OF LIMITED CONTINUING DISCLOSURE AGREEMENT" attached hereto.

Compliance with Prior Undertaking

The City has not previously issued any debt subject to SEC Rule 15c2-12.

MISCELLANEOUS AND LEGAL INFORMATION

No Default on Securities

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

No Bond Proceeds for Current Operating Expenses

No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used for current operating expenses at any time in at least the last 10 years.

Pension Plan

The City has no pension plan or retirement plan for employees. City employees are members of and contribute to the Mississippi Public Employees' Retirement System.

No-Litigation Certificate

The attorney for the Mayor and the Board of Aldermen will execute and deliver to the initial purchaser(s) of the Bonds a certificate dated as of the date of delivery that no litigation has been filed or is then pending to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provisions made for the payment of the principal of and interest on the Bonds or in any manner questioning the validity of the Bonds.

Validation

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

Approval of Legal Proceedings

All legal matters in connection with the authorization and issuance of the Bonds are subject to the final unqualified approval of the legality thereof by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, Bond Counsel. The form of the opinion of Bond Counsel is attached hereto as APPENDIX F and will be available in final form at the time of delivery of the

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Bonds. No representation is made to the registered owners of the Bonds that such Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Bonds except for the matters set forth in such opinion.

Miscellaneous

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

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

The Preliminary Official Statement, dated April 17, 2001, has been "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the "Official Statement"). The City will make available to the successful bidder a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The successful bidder shall conform to the requirements of SEC Rule 15c2-12, including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the successful bidder if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The successful bidder shall file the Official Statement with a nationally recognized municipal securities information repository (a "Repository") at the earliest practicable date after the date of delivery of the Bonds. The end of the underwriting period shall mean the earlier of (a) the date of the closing unless the City has been notified in writing to the contrary by the representative of the

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successful bidder on or prior to such date, or (b) the date on which the "end of the underwriting period" for the Bonds has occurred under SEC Rule 15c2-12. The successful bidder shall notify the City of the date which is the "end of the underwriting period" within the meaning of the SEC Rule 15c2-12.

CITY OF PETAL, MISSISSIPPI

/s/ JACK GAY, JR.
MAYOR

/s/ PRISCILLA DANIEL
CITY CLERK

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**APPENDIX A
INFORMATION ON THE CITY**

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ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description

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

Population

The population of the City has been recorded as follows:

1970	1980	1990
7,620	8,476	7,883

SOURCE: Mississippi Research and Development Center; April, 2001.

Government

The City operates under the Mayor-Board of Aldermen form of government. The governing body of the City consists of five Board members, all of whom are elected from separate wards. The Mayor, who is elected at large, and members of the Board of Aldermen are elected for concurrent four year terms. The current Mayor and members of the Board of Aldermen whose terms expire July, 2001, are:

Name	Occupation	Position Held Since
Jack Gay, Jr.	Mayor	1989
Robert F. Langford	Retired	1997
Donald H. Rowell	Insurance Adjustor	1997
Charles E. Holbrook	Retired	1997
Leroy Scott	City of Hattiesburg	1978
Willie W. Hinton	Insurance Agent	1997

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Transportation

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

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

Per Capita Income

Year	County	Mississippi	United States	County as % of U.S.
1998	\$19,313	\$19,776	\$27,203	70.9%
1997	18,847	18,873	25,924	72.7
1996	17,344	17,561	24,436	70.0
1995	16,650	16,716	23,196	71.7
1994	15,812	15,828	21,696	72.8

SOURCE: Population-Personal Income Data: United States, Mississippi and Counties, 1993-1998; Labor Market Information Department, Mississippi Employment Security Commission; April, 2001.

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Major Employers

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

Employer	Employees	Product/Service
Petal School District	490	Education
Service Master Cleaning Alternatives	155	Cleaning services
Charles Walker Enterprises	115	Insurance
WalMart	98	Retail store
City of Petal	86	City government
Jitney Jungle	53	Grocery store
Sunflower/IGA	46	Grocery store
Hudson's of Petal	30	Discount Outlet
Plant Eaton/MS Power	23	Utilities
U. S. Post Office	23	Postal service

SOURCE: Chamber of Commerce; April, 2001.

Retail Sales

State Fiscal Year Ended June 30	Amount
2000	\$83,817,232
1999	83,708,960
1998	88,950,215
1997	73,403,637
1996	67,105,902

SOURCE: Annual Report for each year shown, Mississippi State Tax Commission; April, 2001.

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Unemployment Statistics

	2001	2000	1999	1998	1997
January	3.0%	3.4%	3.4%	3.4%	3.4%
February	2.8	3.5	3.5	3.2	3.1
March		3.9	3.1	3.1	3.2
April		3.5	2.5	3.0	2.7
May		4.3	3.3	3.5	2.9
June		5.5	3.9	3.4	3.9
July		4.9	3.3	3.4	3.5
August		4.4	3.1	3.8	3.6
September		3.7	3.2	4.0	3.4
October		4.0	3.3	3.2	3.3
November		3.3	2.8	3.3	3.3
December		2.6	2.6	2.4	2.4
Annual Average		3.9%	3.1%	3.3%	3.4%

SOURCE: Labor Market Data for each month shown, Market Information Department, Mississippi Employment Security Commission; April, 2001.

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Employment Statistics of the County

	1999	1998	1997	1996	1995
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	33,170	33,840	34,210	33,170	33,500
II. Unemployed	1,110	1,220	1,170	1,460	1,470
% of Civilian Labor Force	3.3%	3.6%	3.4%	4.3%	4.4%
III. Employed	32,060	32,620	33,040	32,250	32,030
A. Nonagricultural Wage & Salaried Workers	29,820	30,270	30,570	29,730	29,480
B. Other Nonagricultural Workers	1,990	2,090	2,200	2,230	2,270
C. Agricultural Workers	250	270	270	290	280
ESTABLISHMENT BASED EMPLOYMENT	37,950	37,530	37,940	35,560	37,280
I. Manufacturing	4,120	4,110	4,430	4,420	5,240
II. Nonmanufacturing	33,830	33,420	33,510	32,130	32,040
A. Mining	60	60	60	80	80
B. Construction	1,960	1,630	1,770	1,410	1,520
C. Transportation & Public Utilities	1,250	1,230	1,330	1,190	1,340
D. Wholesale & Retail Trade	8,060	7,900	8,110	8,100	8,210
E. Finance, Insurance & Real Estate	1,460	1,670	1,740	1,850	1,700
F. Service & Miscellaneous	8,620	7,940	7,340	7,090	7,130
G. Government Public Education	12,420 5,730	12,990 6,660	13,160 6,770	12,410 6,200	12,080 6,210

SOURCE: Annual Averages, 1990-1999; April, 2000 Ed.; Labor Market Information Department, Mississippi Employment Security Commission; April, 2001.

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Ten Largest Taxpayers

The ten largest taxpayers in the City for assessment year 2000, are as follows:

MS Power & Light	\$ 3,372,340	\$100,698.07
BellSouth	548,352	16,373.79
Midstream	531,800	15,879.55
Wal-Mart	363,655	10,858.74
Rainbow Development	203,885	6,088.01
Hudson Salvage	173,628	5,184.53
Entex	132,168	3,946.54
Norfolk	106,380	3,176.51
Plantation Pipe	61,880	1,847.74
Koch	58,880	1,758.16
TOTAL	\$10,487,868	\$165,811.64

SOURCE: Office of the City Clerk; April, 2001.

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DEBT INFORMATION

Legal Debt Limit Statement

(as of April, 2001)

	15% Debt	20% Debt
Authorized Debt Limit (Last Completed Assessment for Taxation - \$31,014,909)	\$4,652,236	\$6,202,981
Present Debt Subject to Debt Limits	205,000	205,000
Margin for Further Debt Under Debt Limits	\$4,447,236	\$5,997,981
Less: This Offering	1,200,000	1,200,000
Margin for Further Debt Under Debt Limits after Issuance of the Bonds	\$3,247,236	\$4,797,981

Statutory Debt Limits

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

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

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

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Outstanding General Obligation Bonded Debt Subject to Debt Limits

(as of April, 2001)

Issue	Date	Amount
General Obligation Water and Sewer Refunding Bonds	09/15/89	\$205,000
Total		\$205,000

Outstanding General Obligation Bonded Debt Not Subject to Debt Limits

(as of April, 2001)

Issue	Date	Amount
Petal Separate School District Bonds	03/01/78	\$380,000
Total		\$380,000

Outstanding Revenue Bonded Debt

(as of April, 2001)

Issue	Date	Amount
Water and Sewer Revenue Bonds	02/01/90	\$520,000
Total		\$520,000

Revenue bonds are payable as to principal and interest solely out of and secured by a pledge of the revenue to be derived from the leasing of the facilities financed with the proceeds of such bonds and any other sum which may be received from or in connection with such facilities. Such bonds and the interest thereon are limited obligations of the City and shall never constitute nor give rise to any pecuniary liability of the City or a charge against its general credit or taxing powers.

EXHIBIT "A"

Other Outstanding Long Term Debt

(as of April, 2001)

Issue	Date of Issue	Outstanding Principal
Certificates of Participation	1994	\$ 360,000
Sewer Abatement	1985	99,827
Sewer Revolving Fund	1995	651,955
Capital Lease	1998	100,264
Total		\$1,212,046

EXHIBIT "A"

Annual Debt Service Requirements

Year	Principal	Interest	Total	Principal	Interest	Total
2001	\$ 450,000.00	\$ 61,685.00	\$ 511,685.00	\$ 0.00	\$ 0.00	\$ 0.00
2002	465,000.00	36,642.50	501,642.50	55,000.00		\$ 55,000.00
2003	180,000.00	18,125.00	198,125.00	60,000.00		\$ 60,000.00
2004	200,000.00	6,250.00	206,250.00	60,000.00		\$ 60,000.00
2005	0.00	0.00	0.00	65,000.00		\$ 65,000.00
2006	0.00	0.00	0.00	70,000.00		\$ 70,000.00
2007	0.00	0.00	0.00	70,000.00		\$ 70,000.00
2008	0.00	0.00	0.00	75,000.00		\$ 75,000.00
2009	0.00	0.00	0.00	80,000.00		\$ 80,000.00
2010	0.00	0.00	0.00	80,000.00		\$ 80,000.00
2011	0.00	0.00	0.00	85,000.00		\$ 85,000.00
2012	0.00	0.00	0.00	90,000.00		\$ 90,000.00
2013	0.00	0.00	0.00	95,000.00		\$ 95,000.00
2014	0.00	0.00	0.00	100,000.00		\$ 100,000.00
2015	0.00	0.00	0.00	105,000.00		\$ 105,000.00
2016	0.00	0.00	0.00	110,000.00		\$ 110,000.00
Total	\$1,295,000.00	\$122,702.50	\$1,417,702.50	\$1,200,000.00	\$ 0.00	\$ 1,200,000.00

Calculated based on interest rates set forth on the cover.

EXHIBIT "A"

General Obligation Bonded Debt

Issue	Fiscal Year Ended September 30				
	2000	1999	1998	1997	1996
Petal Separate School District (3/1/78)	\$ 560,000	\$ 740,000	\$ 920,000	\$1,090,000	\$1,260,000
General Obligation Sewer Refunding Bonds (3/15/89)	265,000	320,000	370,000	420,000	465,000
General Obligation Water and Sewer Refunding Bonds (11/1/92)	285,000	555,000	810,000	1,060,000	1,290,000
Total	\$1,110,000	\$1,615,000	\$2,100,000	\$2,570,000	\$3,015,000

EXHIBIT "A"

Debt Ratios

2000	\$1,110,000	3.57%
1999	1,615,000	5.16
1998	2,100,000	6.58
1997	2,570,000	8.98
1996	3,015,000	10.81

Overlapping/Underlying General Obligation Indebtedness

(as of April, 2001)

Forrest County	68,314	\$373,709,735	\$26,195,000	\$383.44
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Petal School District		\$85,553,428	\$380,000	
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EXHIBIT "A"

APPENDIX B

NOTICE OF BOND SALE

EXHIBIT "A"

NOTICE OF BOND SALE

\$1,200,000

GENERAL OBLIGATION BONDS

SERIES 2001

OF

CITY OF PETAL, MISSISSIPPI

Sealed proposals will be received by the Mayor and Board of Aldermen of the City of Petal, Mississippi (the "Governing Body" of the "City"), in its meeting place in the City Hall of the City until the hour of 11:00 o'clock a.m. on the 17th day of May, 2001, at which time said bids will be publicly opened and read, for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of One Million Two Hundred Thousand Dollars (\$1,200,000) principal amount General Obligation Bonds, Series 2001, of the City (the "Bonds").

The Bonds will be dated June 1, 2001, will be delivered in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity, will be numbered from one upward; will be issued in fully registered form; and will bear interest from the date thereof at the rate or rates offered by the successful bidder in its bid, payable on June 1 and December 1 in each year (each an "Interest Payment Date"), commencing June 1, 2002. The Bonds will mature serially on June 1 in each year and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2002	\$55,000
2003	60,000
2004	60,000
2005	65,000
2006	70,000
2007	70,000
2008	75,000
2009	80,000
2010	80,000
2011	85,000
2012	90,000
2013	95,000
2014	100,000
2015	105,000
2016	110,000

EXHIBIT "A"

Banking Institutions

Institutions	1999 Total Assets
BancorpSouth Bank ^{1(a)}	\$ 5,782,595,000
AmSouth Bank ^{1(b)}	43,400,000,000
The Lamar Bank ^{1(c)}	411,842,000
Richton Bank & Trust Company ^{1(d)}	59,485,000
Trustmark National Bank ^{1(e)}	6,731,049,000
Union Planters, National Association ^{1(f)}	33,300,000,000

SOURCE: Mississippi Financial Institution Directory 2000-2001 Ed., Mississippi Bankers Association; April, 2001.

Construction Permits

Year	Number	Amount
2000	80	\$3,488,860
1999	91	4,965,605
1998	118	6,033,643
1997	86	2,833,966
1996	102	2,786,121

SOURCE: Office of the City Clerk; April, 2001.

1 (a) Main office located in Tupelo, Mississippi.
 (b) Main office located Birmingham, Alabama. Figure represents total assets for 1999; As of March 17, 2000, First American National Bank, dba Deposit Guaranty National Bank ("DGNB") merged with AmSouth Bank;. Total assets of DGNB prior to merger were \$20,731,770,000.
 (c) Main office located in Purvis, Mississippi.
 (d) Main office located in Richton, Mississippi.
 (e) Main office located in Jackson, Mississippi.
 (f) Main office located in Memphis, Tennessee.

EXHIBIT "A"

Educational Facilities

The Petal School District (the "District") serves the entire City of Petal and consists of one elementary school, one middle school and one high school, and employs approximately 490 people.

Enrollment figures for the District for the 2000-01 scholastic year and the four preceding years are as follows:

Scholastic Year	Enrollment
2000-01	3,635
1999-00	3,626
1998-99	3,614
1997-98	3,765
1996-97	3,621

SOURCE: Office of the Superintendent, Petal Public School District; April, 2001.

TAX INFORMATION

Assessed Valuation²

Year	Real Property	Personal Property	Public Utility Property	Total
2000	\$18,170,270	\$ 8,544,550	\$4,300,089	\$31,014,909
1999	18,306,803	8,665,721	4,267,544	31,240,068
1998	17,395,174	10,397,600	4,106,045	31,898,819
1997	17,039,941	7,468,705	4,106,045	28,614,691
1996	14,749,822	9,161,838	3,967,978	27,879,638

SOURCE: Office of the City Clerk; April, 2001.

² The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2000 will be collected starting in January, 2001 for the 2000-2001 fiscal year budget of the City.

EXHIBIT "A"

Assessed valuations are based upon the following assessment ratios:

- (a) Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value;
- (b) Single-family owner-occupied residential real property, 10 percent of true value;
- (c) Motor vehicles and public utility property, 30 percent of true value.

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

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

The assessed valuation figures above do not include property exempt from all City ad valorem tax for a period of up to ten years, primarily for new or expanded manufacturing facilities. Set forth below is a schedule of the assessed valuation of such exempt property which will become subject to City ad valorem tax in the next ten years:

Exempt Property	Assessed Valuation	Date Exemption Ends
Petal Gas Storage	\$2,067,477	12/31/03
CMS Gas Transmission	351,045	12/31/03
Petal Gas Storage	273,046	12/31/03
Petal Gas Storage	175,117	12/31/03
CMS Gas Transmission	5,666	12/31/03
Midstream Combination	765	12/31/05
Total	\$2,873,116	

SOURCE: Office of the City Clerk; April, 2001.

EXHIBIT "A"

Procedure for Property Assessments

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

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

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

Tax Levy Per \$1,000 Valuation³

General Purpose	27.86	24.39	21.91	21.91	21.91
Debt Service	0.00	4.00	10.20	12.11	13.59
Library Fund	2.00	2.00	1.90	2.25	2.25
Total	29.86	30.39	34.01	36.27	37.75

SOURCE: Office of the City Clerk; April, 2001.

³Tax levy figures are given in mills.

EXHIBIT "A"

Ad Valorem Tax Collections

Bisual Year September 30	Amount Budgeted	Amount Collected	Difference Over/Under
2000	\$710,000	\$720,471	\$10,471
1999	601,346	636,149	34,803
1998	560,000	602,772	42,772
1997	520,000	537,677	17,677
1996	520,000	551,721	31,721

SOURCE: Office of the City Clerk; April, 2001.

Procedure for Tax Collections

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

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

Reappraisal of Property and Limitation on Ad Valorem Levies

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

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year: This limitation does not apply to levies for the payment

EXHIBIT "A"

of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

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

Homestead Exemption

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$6,000 of assessed value thereof.

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

EXHIBIT "A"

Bonds maturing on June 1, 2009, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on June 1, 2008, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

The City will appoint the Paying and Transfer Agent for the Bonds after receiving the recommendation of the successful bidder. The Paying and Transfer Agent shall be a bank or trust company located within the State of Mississippi. The Paying Agent and/or Transfer Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued.

The successful bidder must deliver to the Transfer Agent within thirty (30) days of the date of sale, or at such other later date as may be designated by the City, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information to the Transfer Agent by the required time, one bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder.

Both principal of and interest on the Bonds will be payable by check or draft mailed on the Interest Payment Date to Registered Owners of the Bonds as of the 15th day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the City maintained by the Transfer Agent. Payment of principal at maturity shall be conditioned on the presentation and surrender of the Bonds at the principal office of the Transfer Agent.

The Bonds will be transferable only upon the records of the City maintained by the Transfer Agent.

The Bonds shall not bear a greater overall maximum interest rate to maturity than eleven percent (11%) per annum, and shall mature in the amounts and on the dates hereinabove set forth; no Bond shall bear more than one (1) rate of interest; each Bond shall bear interest from its date to its stated maturity date at the interest rate or rates specified in the bid; all Bonds of the same maturity shall bear the same rate of interest from date to maturity. The lowest interest rate specified shall not be less than seventy percent (70%) of the highest interest rate specified; each interest rate specified must be an even multiple of one-eighth of one percent (1/8 of 1%) or one-tenth of one percent (1/10 of 1%) and a zero rate cannot be named. The interest rate for any one maturity shall not exceed eleven percent (11%) per annum.

The Bonds will be general obligations of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

EXHIBIT "A"

The City will designate the Bonds as qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Code.

Proposals should be addressed to the Mayor and Board of Aldermen and should be plainly marked "Proposal for General Obligation Bonds, Series 2001, of the City of Petal, Mississippi," and should be filed with the Clerk of the City on or prior to the date and hour hereinabove named.

Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the City of Petal, Mississippi, in the amount of Twenty Four Thousand Dollars (\$24,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the City as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. All proposals shall remain firm for three hours after the time specified for the opening of proposals and an award of the Bonds, or rejection of proposals, will be made by the City within said period of time.

The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest net interest cost to the City. The net interest cost will be determined by computing the aggregate interest on the Bonds over the life of the issue at the rate or rates of interest specified by the bidder, less premium offered, if any. It is requested that each proposal be accompanied by a statement of the net interest cost (computed to six decimal places), but such statement will not be considered a part of the proposal.

The Governing Body reserves the right to reject any and all bids submitted and to waive any irregularity or informality.

The obligation of the purchaser to purchase and pay for the Bonds is conditioned on the delivery, at the time of settlement of the Bonds, of the following: (1) the approving legal opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Bond Counsel, to the effect that the Bonds constitute valid and legally binding obligations of the City payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City and to the effect that the interest on the Bonds is exempt from Federal and Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986; and (2) the delivery of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, including a statement of the City, dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened relating to the issuance, sale and delivery of the Bonds. A copy of said approving legal opinion will appear on or accompany the Bonds.

Delivery of the Bonds is expected to be made within sixty (60) days after the aforesaid date of sale of the Bonds at a place to be designated by the purchaser and without cost to the purchaser.

EXHIBIT "A"

Simultaneously with the delivery of the Bonds, the purchaser shall furnish to the City a certificate, in form acceptable to Bond Counsel, stating that: (i) it purchased the Bonds as an investment for its own account and not with a view toward distribution or resale in the capacity of a bond house, broker, or intermediary; or (ii) pursuant to a bona fide public offering of all of the Bonds, it sold a substantial amount (ten percent (10%), or more, in par amount) of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at or below the initial public offering prices set forth in such certificate. The purchaser shall also furnish a certificate, in form acceptable to Bond Counsel, setting forth the yield on the Bonds and issue price thereof, calculated in accordance with the requirements of the Code.

It is anticipated that CUSIP identification numbers will be printed on the Bonds unless specifically declined by the purchaser, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the City; the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

While Bond Counsel has determined that the City is exempt from the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended ("Rule 15c2-12"), the City hereby covenants that pursuant to the Small Issuer Exemption under Rule 15c2-12(d)(2), as amended, of the Securities and Exchange Commission, the City will deliver or cause to be delivered, commencing with the fiscal year of the City ending after January 1, 2001, (i) to each person requesting same, financial information and operating data relating to the City, including audited financial statements of the City, and (ii) in a timely manner, to each "nationally recognized municipal securities information repository," within the meaning of Rule 15c2-12, and certain other entities described in Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), notice of any events specified in Rule 15c2-12(b)(5)(i)(c), relating to the Bonds and the City, if the City deems such events to be material as set forth under Rule 15c2-12. If applicable, anyone requesting the aforementioned information under Rule 15c2-12, should contact the City Clerk, City Hall, 119 West 8th Avenue, Petal, Mississippi 39645, Telephone Number: (601) 545-1776.

The Preliminary Official Statement, dated April 17, 2001, has been "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the "Official Statement"). The City will make available to the successful bidder a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The successful bidder shall conform to the requirements of Securities Exchange Act 15c2-12 ("SEC Rule 15c2-12"), including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the successful bidder if any event of which it has knowledge shall occur

EXHIBIT "A"

which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

By order of the Mayor and Board of Aldermen of the City of Petal, Mississippi, on April 17, 2001.

/s/ Priscilla Daniel
CITY CLERK

PUBLISH: May 4 and 11, 2001

EXHIBIT "A"

APPENDIX C

BUDGETS

EXHIBIT "A"

ADOPTED BUDGET FOR FISCAL YEAR 2000-2001

EXHIBIT "A"

AMENDED BUDGET FOR FISCAL YEAR 1999-2000

EXHIBIT "A"

APPENDIX D

AUDIT

EXHIBIT "A"

**FINANCIAL STATEMENT FOR FISCAL YEAR
ENDED SEPTEMBER 30, 1999**

EXHIBIT "A"

APPENDIX E

FORM OF LIMITED CONTINUING DISCLOSURE AGREEMENT

EXHIBIT "A"

LIMITED CONTINUING DISCLOSURE AGREEMENT

This Limited Continuing Disclosure Agreement (the "Agreement") is executed and delivered by the City of Petal, Mississippi ("the "Issuer") in connection with issuance of its \$1,200,000 City of Petal, Mississippi General Obligation Bonds, Series 2001 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Mayor and Board of Aldermen (the "Governing Body") of the City on April 17, 2001 (the "Bond Resolution").

Section 1. Purpose of the Agreement. This Agreement is being executed and delivered by the Issuer for the benefit of the Bondholders and the beneficial owners of the Bonds and in order to assist the Dissemination Agent and Paying Agent in complying with the S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Bond Resolution. In addition the following capitalized terms shall have the following meanings:

(a) "Dissemination Agent" shall mean the person serving from time to time in the capacity of the Issuer's City Clerk.

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

(c) "MSRB" shall mean the Municipal Securities Rulemaking Board.

(d) "National Repository" shall mean any nationally recognized municipal securities information repository for purposes of the rule.

(e) "Official Statement" shall mean any the Official Statement dated _____, 2001, relating to the issuance by the Issuer of the Bonds.

(f) "Paying Agent" shall mean _____, _____, Mississippi a banking corporation.

(g) "Repository" shall mean each national repository and each state repository.

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

(i) "State Repository" shall mean any public or private repository or entity designated by the State of Mississippi as a state repository for the purpose of the Rule. As of the date of this Limited Continuing Disclosure Agreement, no State Repository has been so established or designated by the State of Mississippi.

Section 3. Limited Agreement. The Issuer hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to any person upon request or at least annually to the State Repository, if any, financial information and operating data (collectively

EXHIBIT "A"

referred to as "Annual Financial Information") with respect to the Issuer of the type contained in the Official Statement under the Appendices A, C and D.

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

Section 4. Dissemination Agent. The Issuer agrees that the Issuer's City Clerk shall be designated as the Issuer's contact person and shall be vested with authority to provide the information and data referred to in Section 3 and the notices referred to in Section 5. The name, address and telephone number of the initial Dissemination Agent is as follows:

City Clerk
City Hall
119 West 8th Avenue
Petal, MS 39465
Telephone Number: 601-545-1776

Section 5. Reporting of Listed Events. This Section 5 shall govern the giving of notices of the occurrence of any of the following Listed Events, to the extent they are applicable:

1. Principal and interest payment delinquencies;
2. Nonpayment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax exempt status of the Bonds;
7. Modification to rights of holders of the Bonds;
8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Bonds;
11. Rating changes; and
12. Failure by the Issuer to provide the notice of the occurrence of a Listed Event.

A. Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, the Issuer shall as soon as possible determine if such event will constitute material information for holders of the Bonds, provided, that any event under Items 8. or 9. in this Section 5 will always be deemed to be material.

B. If the Issuer determines that knowledge of the occurrence of a Listed Event would be material, the Issuer shall promptly file a notice of such occurrence with each Repository with a copy to the Paying Agent. Notwithstanding the foregoing, notice of Listed Events described in Items 8. and 9. in this Section 5 need not be given under this subsection any earlier than the notice (if any) of the underlying event as given to the holders of affected Bonds pursuant to the Bond Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Agreement shall terminate upon the defeasance, prior redemption or payment in full of all the Bonds.

EXHIBIT "A"

Section 7. Amendment: Waiver. Notwithstanding any other provision of this Agreement the Issuer may amend this Agreement and any provisions of this Agreement may be waived, if such amendment or waiver is supported by opinion of counsel, expert and federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the Agreements herein to violate the Rule if such amendment or waiver had been effected on the date hereof, but taking into account any subsequent change in or official interpretation of the Rule.

Section 8. Additional Information. Nothing in this Agreement shall be deemed to prevent the Issuer from dissemination of any other information, using the means of dissemination set forth in the Agreement or any other means of communication, in addition to that which is required by this Agreement. If the Issuer chooses to disclose any information or date or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future report or notice of occurrence of a Listed Event.

Section 9. Default. In the event of a failure of the Issuer to comply with any provision of this Agreement, any Bondholder or beneficial owner may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligation under this Agreement. A default under this Agreement shall be not be deemed an event of default unto the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

Section 10. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as specifically set forth in this Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent harmless against any loss, expense and liabilities which he or she may incur arising out of or in the exercise of performance of the powers and duties hereunder, including the costs and expenses (including attorney fees) of defending against any claim of liability. The obligation of the Issuer under this section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 11. Beneficiaries. This Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Paying Agent, the Bondholders and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: _____, 2001.

CITY OF PETAL, MISSISSIPPI

By: 
Jack Gay, Mayor

ATTEST:


Priscilla Daniel, City Clerk

EXHIBIT "A"

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

EXHIBIT "A"

[FORM OF OPINION OF BOND COUNSEL]

Mayor and Board of Aldermen
City of Petal, Mississippi

Dear Sirs:

We have acted as Bond Counsel for the City of Petal, Mississippi (the "City"), in connection with the issuance of the City of Petal, Mississippi, General Obligation Bonds, Series 2001, dated June 1, 2001, in the total authorized aggregate amount of \$1,200,000 (the "Bonds").

The Bonds bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Mayor and Board of Aldermen of the City authorizing their issuance (the "Bond Resolution").

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

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings pertaining to the Bonds which contains copies of certain proceedings of the City, customary certificates of officers, agents and representatives of the City and other public officials and other matters relating to the authorization and issuance of the Bonds including a certification of the City prepared pursuant to Section 1.148-2(b)(2)(i) of the United States Treasury Regulations (the "Non-Arbitrage Certificate"). We have also examined executed Bond No. R-1 of this issue.

EXHIBIT "A"

Based on such examination, it is our opinion that:

1. The transcript of proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the laws of the State of Mississippi presently in effect, that the Bonds constitute valid and legally binding obligations of the City, that the Bonds are payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City.

2. Under existing law, regulations and court decisions, as presently interpreted and construed, Bond Counsel is of the opinion, interest on the Bonds is exempt from all present taxes imposed by the State of Mississippi and any county, municipality or other political subdivision of the State of Mississippi, except for inheritance, estate and transfer taxes.

EXHIBIT "A"

3. Interest on the Bonds is not included in gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") and interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax that may be imposed on individuals and corporations. Such interest, however, is includable in the "adjusted current earnings" of a corporation for purposes of computing the alternative minimum tax and the environmental tax imposed on corporations.

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

5. For taxable years beginning before January 1, 1996, Section 59A of the Code imposes an environmental tax of 0.12 percent on the excess, with certain modifications, of a corporation's alternative minimum taxable income, over \$2,000,000. The environmental tax imposed by Section 59A of the Code is imposed independently from the alternative minimum tax on corporations and is deductible from gross income. Interest on the Bonds is included in alternative minimum taxable income for purposes of the environmental tax, to the extent reflected in the adjustment for "adjusted current earnings".

The Mayor and Board of Aldermen, acting for and on behalf of the City, has covenanted in the Bond Resolution that it will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code. Failure of the City to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue.

In rendering the foregoing opinion, Bond Counsel has assumed the continuing compliance by the City with the tax covenants and representations in the Bond Resolution and the representations in the Non-Arbitrage Certificate. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of

EXHIBIT "A"

issuance of the Bonds have resulted in a failure of the City to comply with its covenants. Failure of the City to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds.

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

Section 1375 of the Code imposes a tax on the "excess net passive investment income" of S corporations that have Subchapter C earnings and profits at the close of the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporations is passive investment income. Interest on the Bonds is included in the calculation of excess net passive income.

Section 265 of the Code denies a deduction for interest paid on borrowed funds to purchase or carry tax-exempt obligations. In addition, under rules used by the Internal Revenue Service for determining when borrowed funds are considered used for the purpose of purchasing or carrying particular assets, the purchase of obligations may be considered to have been made with borrowed funds even though the borrowed funds are not directly traceable to the purchase of such obligations.

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

Very truly yours,

BUTLER, SNOW, O'MARA, STEVENS &
CANNADA, PLLC

EXHIBIT "A"

EXHIBIT B

CERTIFICATE OF THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL, MISSISSIPPI

This Certificate is executed in order to evidence compliance with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). All terms used herein and not defined herein shall have the meaning set forth in the Rule. The City of Petal, Mississippi (the "City") hereby certifies that it has not sold, issued or delivered any obligations since July 1, 1995 subject to the continuing disclosure requirements of the Rule.

IN WITNESS WHEREOF, we have hereunto subscribed our respective official signatures and impressed hereon the seal of the City of Petal, Mississippi, this the 17th day of April, 2001.

CITY OF PETAL, MISSISSIPPI

Mayor

ATTEST:


City Clerk

(SEAL)

EXHIBIT "B"

The Mayor and Board of Aldermen of the City of Petal, Mississippi (the "City"), took up for further consideration the matter of the issuance of General Obligation Bonds, Series 2001, of said City, in the principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000). After a discussion of the subject, Alderman Holbrook offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2001, OF THE CITY OF PETAL, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) TO RAISE MONEY FOR THE PURPOSE OF ERECTING MUNICIPAL BUILDINGS AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; REPAIRING, IMPROVING AND EXTENDING STORM AND DRAINAGE SYSTEMS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; IMPROVING, EQUIPPING AND ADORNING PARKS AND PUBLIC PLAYGROUNDS, INCLUDING CONSTRUCTING, REPAIRING AND EQUIPPING OTHER RECREATIONAL FACILITIES; AND PURCHASING MACHINERY AND EQUIPMENT WHICH HAVE AN EXPECTED USEFUL LIFE IN EXCESS OF TEN (10) YEARS NOT TO INCLUDE ANY MOTOR VEHICLE WEIGHING LESS THAN TWELVE THOUSAND (12,000) POUNDS.

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

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

"Act" shall mean Sections 21-33-301 et seq., Mississippi Code of 1972, as amended.

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

"Bond" or "Bonds" shall mean the General Obligation Bonds, Series 2001, of the City authorized and directed to be issued in this resolution.

"Bond Counsel" shall mean Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi.

"Bond Resolution" shall mean this resolution.

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

EXHIBIT "B"

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

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

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

"Notice" shall mean the Notice of Bond Sale set out in Section 23 hereof.

"Paying Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the Bonds.

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

"Project" shall mean erecting municipal buildings and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; repairing, improving and extending storm and drainage systems; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; improving, equipping and adorning parks and public playgrounds, including constructing, repairing and equipping other recreational facilities; and purchasing machinery and equipment which have an expected useful life in excess of ten (10) years not to include any motor vehicle weighing less than twelve thousand (12,000) pounds.

"Purchaser" shall mean the successful bidder for the Bonds, to be hereafter designated by the Governing Body.

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

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

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

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

"2001 Bond Fund" shall mean the City of Petal, Mississippi, General Obligation Bonds, Series 2001, 2001 Bond Fund provided for in Section 12 hereof.

"2001 Construction Fund" shall mean the City of Petal, Mississippi, General Obligation Bonds, Series 2001, 2001 Construction Fund provided for in Section 13 hereof.

EXHIBIT "B"

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

2. Heretofore, on the 20th day of February, 2001, the Governing Body adopted a Resolution entitled "**RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY"), TO ISSUE GENERAL OBLIGATION BONDS, SERIES 2001, OF SAID CITY IN THE MAXIMUM PRINCIPAL AMOUNT OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) TO RAISE MONEY FOR THE PURPOSE OF ERECTING MUNICIPAL BUILDINGS AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; REPAIRING, IMPROVING AND EXTENDING STORM AND DRAINAGE SYSTEMS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; IMPROVING, EQUIPPING AND ADORNING PARKS AND PUBLIC PLAYGROUNDS, INCLUDING CONSTRUCTING, REPAIRING AND EQUIPPING OTHER RECREATIONAL FACILITIES; AND PURCHASING MACHINERY AND EQUIPMENT WHICH HAVE AN EXPECTED USEFUL LIFE IN EXCESS OF TEN (10) YEARS NOT TO INCLUDE ANY MOTOR VEHICLE WEIGHING LESS THAN TWELVE THOUSAND (12,000) POUNDS; AND DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION**" wherein the Governing Body found, determined and adjudicated that it is necessary that Bonds of the City be issued in the amount, for the purpose and secured as aforesaid, declared its intention to issue said Bonds, and fixed 7:00 o'clock p.m. on April 3, 2001, as the date and hour on which it proposed to direct the issuance of said Bonds, on or prior to which date and hour any protests to be made against the issuance of such Bonds were required to be filed.

3. As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in The Petal News, a newspaper published in and of general circulation in the City, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days prior to April 3, 2001, and the last publication having been made not more than seven (7) days prior to such date, said notice having been published in said newspaper on March 9, 16, 23 and 30, 2001, as evidenced by the publisher's affidavit heretofore presented and filed.

4. On or prior to 7:00 o'clock p.m. on April 3, 2001, no written protest against the issuance of the Bonds described in the aforesaid resolution had been filed or presented by qualified electors of the City.

5. The Governing Body is now authorized and empowered by the provisions of the Act to issue the Bonds without an election on the question of the issuance thereof and is authorized to issue Bonds registered as to principal and interest in the form and manner hereinafter provided for by Sections 31-21-1 to 31-21-7, Mississippi Code of 1972, as amended.

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6. On the 17th day of April, 2001, the Governing Body adopted a resolution entitled:

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) GENERAL OBLIGATION BONDS, SERIES 2001, OF THE CITY OF PETAL, MISSISSIPPI.

Wherein the Governing Body approved and adopted the Preliminary Official Statement for the sale of the Bonds, and authorized the Governing Body to sign and distribute the Preliminary Official Statement.

7. The assessed value of taxable property within the City, according to the last completed assessment for taxation, is Thirty One Million Fourteen Thousand Nine Hundred Nine Dollars (\$31,014,909); the City has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended, in the amount of Two Hundred Five Thousand Dollars (\$205,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of Two Hundred Five Thousand Dollars (\$205,000); the issuance of the Bonds, when added to the outstanding bonded indebtedness of the City, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the City, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the City, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City.

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

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

SECTION 1. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City for the benefit of the Registered Owners shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

EXHIBIT "B"

SECTION 2. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000) to raise money for the Project as authorized by the Act.

SECTION 3. (a) Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America.

(b) The Bonds shall be registered as to both principal and interest; shall be dated June 1, 2001; shall be issued in the principal denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified by further order of the Governing Body, payable on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2002; and shall mature and become due and payable on June 1 in the years and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2002	\$55,000
2003	60,000
2004	60,000
2005	65,000
2006	70,000
2007	70,000
2008	75,000
2009	80,000
2010	80,000
2011	85,000
2012	90,000
2013	95,000
2014	100,000
2015	105,000
2016	110,000

(c) Bonds maturing on June 1, 2009 and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on June 1, 2008, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

(d) Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. From and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue.

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SECTION 4. (a) When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the City in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse side of each of the Bonds, over his manual or facsimile signature and manual or facsimile seal, his certificate in substantially the form set out in Section 6.

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

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

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

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

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

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

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

EXHIBIT "B "

SECTION 5. (a) The City will appoint the Paying and Transfer Agent for the Bonds after receiving the recommendation of the successful bidder. The Paying and Transfer Agent shall be a bank or trust company located within the State of Mississippi. The City specifically reserves the right to hereafter designate a separate Transfer Agent and/or Paying Agent in its discretion in the manner hereinafter provided.

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

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

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

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

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

EXHIBIT "B"

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

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

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

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

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

(e) Any corporation or association into which an Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Agent hereunder and vested with all the powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor Agent, anything herein to the contrary notwithstanding, provided only that such successor Agent shall be satisfactory to the City and eligible under the provisions of Section 5(d)(iv) hereof.

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

EXHIBIT "B"

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF PETAL

GENERAL OBLIGATION BOND

SERIES 2001

NO. _____ \$ _____

Rate of Interest Maturity Date of Original Issue CUSIP

June 1, 2001

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Petal, Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of _____, _____, or its successor, as paying agent (the "Paying Agent") for the General Obligation Bonds, Series 2001, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by _____, _____, _____, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent Interest Payment Date to which interest has been paid at the rate of interest per annum set forth above, on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2002, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

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

EXHIBIT "B"

subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000) to raise money for the purpose of erecting municipal buildings and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; repairing, improving and extending storm and drainage systems; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; improving, equipping and adorning parks and public playgrounds, including constructing, repairing and equipping other recreational facilities; and purchasing machinery and equipment which have an expected useful life in excess of ten (10) years not to include any motor vehicle weighing less than twelve thousand (12,000) pounds.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 et seq., Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including a resolution adopted April 17, 2001 (the "Bond Resolution").

Bonds maturing on June 1, 2009 and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on June 1, 2008, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

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

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

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

The Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable property within the geographical

EXHIBIT "B"

limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

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

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

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the 1st day of June, 2001.

CITY OF PETAL, MISSISSIPPI

BY: _____
Mayor

COUNTERSIGNED:

City Clerk

(facsimile seal)

EXHIBIT "B"

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

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Bonds, Series 2001, of the City of Petal, Mississippi.

as Transfer Agent

BY: _____

Authorized Officer

Date of Registration and Authentication: _____

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

REGISTRATION AND VALIDATION CERTIFICATE

**STATE OF MISSISSIPPI
COUNTY OF FORREST
CITY OF PETAL**

I, the undersigned City Clerk of the City of Petal, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Forrest County, Mississippi, rendered on the ____ day of _____, 2001.

_____ (facsimile)

City Clerk

(facsimile seal)

EXHIBIT "B"

ASSIGNMENT

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

(Name and Address of Assignee)

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

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

Signatures guaranteed:

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

(Authorized Officer)

Date of Assignment: _____

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

EXHIBIT "B"

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

SECTION 8. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Bonds. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

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

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

EXHIBIT "B"

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

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

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

SECTION 12. (a) The City hereby establishes the 2001 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2001 Bond Fund as and when received:

- (i) The accrued interest and premium, if any, received upon delivery of the Bonds;
- (ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 8 hereof;
- (iii) Any income received from investment of monies in the 2001 Bond Fund; and
- (iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2001 Bond Fund.

(b) As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2001 Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

SECTION 13. The City hereby establishes the 2001 Construction Fund which shall be maintained with a qualified depository. The principal proceeds received upon the sale of the Bonds shall be deposited in the 2001 Construction Fund. Any income received from investment of monies in the 2001 Construction Fund shall be deposited in the 2001 Construction Fund. From the 2001 Construction Fund there shall be first paid the costs, fees and expenses incurred by the City in

EXHIBIT "B"

connection with the authorization, issuance, sale, validation and delivery of the Bonds. The balance thereof shall be held and disbursed for the Project, as authorized by the Act. Any amounts which remain in the 2001 Construction Fund after the completion of the Project shall be transferred to the 2001 Bond Fund and used as permitted under State law.

SECTION 14. (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date.

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

(c) Principal of and interest on the Bonds shall be paid by check or draft mailed on the Interest Payment Date to Registered Owners at the addresses appearing in the registration records of the Transfer Agent. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date to be effective as of such date.

SECTION 15. The Bonds shall be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 16. The City hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 17. The City represents as follows:

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

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

EXHIBIT "B"

(c) The City shall take all necessary action to have the Bonds registered within the meaning of Section 149(a) of the Code; and

(d) The City will not employ any device or abusive transaction with respect to the investment of the proceeds of the Bonds.

SECTION 18. In accordance with Section 148(f)(4)(D) (the "Small Issuer Exception" requirement) of the Code, the City represents that: (i) it is a governmental unit of the State of Mississippi and is empowered to exercise general taxing powers; (ii) the Bonds are not "private activity bonds" as defined in Section 141 of the Code; (iii) ninety-five percent (95%) or more of the net proceeds of the Bonds are to be used for local governmental activities of the City; and (iv) the aggregate face amount of all tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code and certain current refunding bonds described in Section 148(f)(4)(D) of the Code) issued by the City during calendar year 2001 is not reasonably expected to exceed \$5,000,000.

SECTION 19. In the event that the aggregate principal amount of the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code and certain current refunding bonds described in Section 148(f)(4)(D) of the Code) issued by, or on behalf of, the City during calendar year 2001 exceeds \$5,000,000, or if the City otherwise fails to meet the Small Issuer Exception, the City hereby covenants that it shall make, or cause to be made, the rebate payments required by Section 148(f) of the Code in the manner described in Regulation of §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds.

SECTION 20. The City hereby designates the Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that:

(a) the City reasonably anticipates that the amount of tax-exempt obligations to be issued by it during the period from January 1, 2001, to December 31, 2001, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds; and

(b) for purposes of this Section 20, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the City: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

SECTION 21. On November 10, 1994, the Securities and Exchange Commission (the "Commission") amended Rule 15c2-12 (as amended, "Rule 15c2-12"), which was originally adopted by the Commission in 1989 under the Securities Exchange Act of 1934 and set forth certain disclosure requirements relating to a primary offering of municipal securities. The amendments to

EXHIBIT "B"

Rule 15c2-12, which are effective beginning July 3, 1995, add to the existing disclosure obligations relating to municipal securities by requiring that, prior to purchasing or selling municipal securities, brokers, dealers and municipal securities dealers must reasonably determine that the issuer of such municipal securities, together with any other "obligated persons," within the meaning of Rule 15c2-12, have entered into an undertaking for the benefit of bondholders to make certain information available to bondholders on a continuing basis. The City is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

While Bond Counsel has determined that the City is not required to comply with the continuing disclosure requirements of Rule 15c2-12, the City hereby covenants that pursuant to the Small Issuer Exemption under Rule 15c2-12, of the Securities and Exchange Commission, the City will deliver or cause to be delivered, commencing with the fiscal year of the City ending after January 1, 2001, (i) to each person requesting same, financial information and operating data relating to the City, including audited financial statements of the City, and (ii) to the "nationally recognized municipal securities information repository," within the meaning of Rule 15c2-12, and certain other entities described in Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), notice of any material events relating to the Bonds and the City, if the City deems such events to be material as set forth under Rule 15c2-12. If applicable, anyone requesting information under the continuing disclosure requirements of Rule 15c2-12, as amended, should contact the City Clerk, City Hall, 119 West 8th Avenue, Petal, Mississippi 39645, Telephone Number: (601) 545-1776.

SECTION 22. The Bonds shall be offered for sale on sealed bids at a meeting of the Governing Body to be held at the place, and on the date and at the hour specified and upon the terms and conditions set out in the Notice in Section 23 hereof. On or before said date and hour, such sealed bids must be filed with the Clerk at the place specified in the Notice. The Governing Body reserves the right to reject any and all bids submitted, and if all bids are rejected, to sell the Bonds at a private sale at any time within sixty (60) days after the date advertised for the receipt of bids, at a price not less than the highest bid which shall have been received at the advertised sale.

SECTION 23. As required by Section 31-19-25, Mississippi Code of 1972, as amended, the Clerk is hereby authorized and directed to give Notice by publishing an advertisement at least two (2) times in The Petal News, a newspaper published in and of general circulation in the City, the first publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of bids. The Notice shall be in substantially the following form:

EXHIBIT "B"

NOTICE OF BOND SALE

\$1,200,000

GENERAL OBLIGATION BONDS

SERIES 2001

OF

CITY OF PETAL, MISSISSIPPI

Sealed proposals will be received by the Mayor and Board of Aldermen of the City of Petal, Mississippi (the "Governing Body" of the "City"), in its meeting place in the City Hall of the City until the hour of 11:00 o'clock a.m. on the 17th day of May, 2001, at which time said bids will be publicly opened and read, for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of One Million Two Hundred Thousand Dollars (\$1,200,000) principal amount General Obligation Bonds, Series 2001, of the City (the "Bonds").

The Bonds will be dated June 1, 2001, will be delivered in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity, will be numbered from one upward; will be issued in fully registered form; and will bear interest from the date thereof at the rate or rates offered by the successful bidder in its bid, payable on June 1 and December 1 in each year (each an "Interest Payment Date"), commencing June 1, 2002. The Bonds will mature serially on June 1 in each year and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2002	\$55,000
2003	60,000
2004	60,000
2005	65,000
2006	70,000
2007	70,000
2008	75,000
2009	80,000
2010	80,000
2011	85,000
2012	90,000
2013	95,000
2014	100,000
2015	105,000
2016	110,000

EXHIBIT "B"

Bonds maturing on June 1, 2009, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on June 1, 2008, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

The City will appoint the Paying and Transfer Agent for the Bonds after receiving the recommendation of the successful bidder. The Paying and Transfer Agent shall be a bank or trust company located within the State of Mississippi. The Paying Agent and/or Transfer Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued.

The successful bidder must deliver to the Transfer Agent within thirty (30) days of the date of sale, or at such other later date as may be designated by the City, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information to the Transfer Agent by the required time, one bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder.

Both principal of and interest on the Bonds will be payable by check or draft mailed on the Interest Payment Date to Registered Owners of the Bonds as of the 15th day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the City maintained by the Transfer Agent. Payment of principal at maturity shall be conditioned on the presentation and surrender of the Bonds at the principal office of the Transfer Agent.

The Bonds will be transferable only upon the records of the City maintained by the Transfer Agent.

The Bonds shall not bear a greater overall maximum interest rate to maturity than eleven percent (11%) per annum, and shall mature in the amounts and on the dates hereinabove set forth; no Bond shall bear more than one (1) rate of interest; each Bond shall bear interest from its date to its stated maturity date at the interest rate or rates specified in the bid; all Bonds of the same maturity shall bear the same rate of interest from date to maturity. The lowest interest rate specified shall not be less than seventy percent (70%) of the highest interest rate specified; each interest rate specified must be an even multiple of one-eighth of one percent (1/8 of 1%) or one-tenth of one percent (1/10 of 1%) and a zero rate cannot be named. The interest rate for any one maturity shall not exceed eleven percent (11%) per annum.

The Bonds will be general obligations of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

EXHIBIT "B"

The City will designate the Bonds as qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Code.

Proposals should be addressed to the Mayor and Board of Aldermen and should be plainly marked "Proposal for General Obligation Bonds, Series 2001, of the City of Petal, Mississippi," and should be filed with the Clerk of the City on or prior to the date and hour hereinabove named.

Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the City of Petal, Mississippi, in the amount of Twenty Four Thousand Dollars (\$24,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the City as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. All proposals shall remain firm for three hours after the time specified for the opening of proposals and an award of the Bonds, or rejection of proposals, will be made by the City within said period of time.

The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest net interest cost to the City. The net interest cost will be determined by computing the aggregate interest on the Bonds over the life of the issue at the rate or rates of interest specified by the bidder, less premium offered, if any. It is requested that each proposal be accompanied by a statement of the net interest cost (computed to six decimal places), but such statement will not be considered a part of the proposal.

The Governing Body reserves the right to reject any and all bids submitted and to waive any irregularity or informality.

The obligation of the purchaser to purchase and pay for the Bonds is conditioned on the delivery, at the time of settlement of the Bonds, of the following: (1) the approving legal opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Bond Counsel, to the effect that the Bonds constitute valid and legally binding obligations of the City payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City and to the effect that the interest on the Bonds is exempt from Federal and Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986; and (2) the delivery of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, including a statement of the City, dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signer or signers thereof, threatened relating to the issuance, sale and delivery of the Bonds. A copy of said approving legal opinion will appear on or accompany the Bonds.

Delivery of the Bonds is expected to be made within sixty (60) days after the aforesaid date of sale of the Bonds at a place to be designated by the purchaser and without cost to the purchaser.

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Simultaneously with the delivery of the Bonds, the purchaser shall furnish to the City a certificate, in form acceptable to Bond Counsel, stating that: (i) it purchased the Bonds as an investment for its own account and not with a view toward distribution or resale in the capacity of a bond house, broker, or intermediary; or (ii) pursuant to a bona fide public offering of all of the Bonds, it sold a substantial amount (ten percent (10%), or more, in par amount) of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at or below the initial public offering prices set forth in such certificate. The purchaser shall also furnish a certificate, in form acceptable to Bond Counsel, setting forth the yield on the Bonds and issue price thereof, calculated in accordance with the requirements of the Code.

It is anticipated that CUSIP identification numbers will be printed on the Bonds unless specifically declined by the purchaser, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the City; the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

While Bond Counsel has determined that the City is exempt from the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended ("Rule 15c2-12"), the City hereby covenants that pursuant to the Small Issuer Exemption under Rule 15c2-12(d)(2), as amended, of the Securities and Exchange Commission, the City will deliver or cause to be delivered, commencing with the fiscal year of the City ending after January 1, 2001, (i) to each person requesting same, financial information and operating data relating to the City, including audited financial statements of the City, and (ii) in a timely manner, to each "nationally recognized municipal securities information repository," within the meaning of Rule 15c2-12, and certain other entities described in Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), notice of any events specified in Rule 15c2-12(b)(5)(i)(c), relating to the Bonds and the City, if the City deems such events to be material as set forth under Rule 15c2-12. If applicable, anyone requesting the aforementioned information under Rule 15c2-12, should contact the City Clerk, City Hall, 119 West 8th Avenue, Petal, Mississippi 39645, Telephone Number: (601) 545-1776.

The Preliminary Official Statement, dated April 17, 2001, has been "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the "Official Statement"). The City will make available to the successful bidder a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The successful bidder shall conform to the requirements of Securities Exchange Act 15c2-12 ("SEC Rule 15c2-12"), including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the successful bidder if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended,

EXHIBIT "B"

to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

By order of the Mayor and Board of Aldermen of the City of Petal, Mississippi, on April 17, 2001.


CITY CLERK

PUBLISH: May 4 and 11, 2001

EXHIBIT "B"

SECTION 24. The Clerk shall obtain from the publisher of the aforesaid newspaper the customary publisher's affidavit proving publication of the Notice for the time and in the manner required by law, and such proof of publication shall be filed in the Clerk's office and exhibited before the Governing Body at the hour and date aforesaid.

SECTION 25. The Mayor and Clerk and any other officers of the Governing Body are authorized to execute and deliver such resolutions, certificates and other documents as our required for the sale, issuance and delivery of the Bonds.

SECTION 26. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this Bond Resolution shall become effective upon the adoption hereof.

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

Alderman Willie W. Hinton	voted: <u>Aye</u>
Alderman Charles E. Holbrook	voted: <u>Aye</u>
Alderman Robert F. Langford	voted: <u>Absent</u>
Alderman Donald H. Rowell	voted: <u>Aye</u>
Alderman Leroy Scott	voted: <u>Aye</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this the 17th day of April, 2001.

MAYOR 

ATTEST:


CITY CLERK

(SEAL)

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