

BE IT REMEMERED THAT THERE WAS BEGUN AND HELD THE SPECIAL MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON JUNE 8, 2001 AT 2:00 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 LEROY SCOTT
OTHERS PRESENT	ROY JOHNSON HOLLY RAMBIN SYLVIA FOSTER DAN TOLBERT

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

THE INVOCATION WAS OFFERED BY THOMAS W. TYNER.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

WHEREAS, MAYOR GAY PRESENTED THE AGENDA.

THEREUPON, ALDERMAN LEROY SCOTT MADE A MOTION TO ADOPT THE AGENDA. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE MINUTES OF THE REGULAR MEETING OF MAY 15, 2001, SPECIAL MEETING OF MAY 11, 2001 AND RECESSED MEETING ON MAY 17, 2001 OF THE MAYOR AND BOARD OF ALDERMEN OF THE SAID CITY OF PETAL, MISSISSIPPI.

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

THOSE PRESENT AND VOTING "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY CALLED FOR PUBLIC COMMENT, BUT THERE WERE NONE.

WHEREAS, MAYOR GAY PRESENTED QUOTES FOR THE RECREATION DEPARTMENT TO PURCHASE A 48" RIDING LAWN MOWER. THE QUOTES ARE UNDER STATE CONTRACT.

SEE EXHIBIT "A"

J R & D RENTAL	\$4,400.00
UNDERWOOD SMALL ENGINES	\$5,376.00

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO PURCHASE THE 48" LAWN MOWER FROM J R & D RENTAL WITH THE PURCHASE PRICE OF \$4,400.00. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

**WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT**

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A QUOTE FROM BOBBY CATT ON CLEARING AND GRUBBING THE 11 ACRES OF THE FAMILY "Y" AND THE 14 ACRES NEXT TO THE FRIENDLY PARK. THE MAXIMUM TOTAL IS \$35,000.00 WITH \$34,000.00 TO BE REIMBURSED BY FAMILY "Y". MR. CATT COMES HIGHLY RECOMMENDED BY SHOWS, DEARMAN, AND WAITS AND WARREN PAVING.

SEE EXHIBIT "B"

THEREUPON, ALDERMAN HINTON MADE A MOTION TO ACCEPT THE QUOTE FROM BOBBY CATT TO DO THE CLEARING AND GRUBBING ON THE 11 ACRES AND 14 ACRES. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

**WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT**

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A SPECIAL WARRANTY DEED PURSUANT TO THE RESOLUTION ADPOTED ON JUNE 19TH, 2001 TO WARRANT TO THE FAMILY YMCA OF SOUTHEAST MISSISSIPPI, INC., d/b/a THE FAMILY Y.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ACCEPT THE SPECIAL WARRANTY DEED FOR THE FAMILY YMCA OF SOUTHEAST MISSISSIPPI, INC. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

**WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT**

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE CONTRACT GRANTING FEE-IN-LIEU OF AD VALOREM TAXATION AMONG FORREST COUNTY, THE CITY OF PETAL, THE MISSISSIPPI DEVELOPMENT AUTHORITY AND PETAL GAS STORAGE, LLC.

SEE EXHIBIT "C"

CONTRACT AD VALOREM TAXATION

THEREUPON, ALDERMAN HINTON MADE A MOTION TO ACCEPT THE CONTRACT FROM THE PETAL GAS STORAGE, LLC FOR THE GRANTING FEE-IN-LIEU OF AD VALOREM TAXATION. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

**WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT**

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE APPROVAL FOR JOEY JARRELL TO APPRAISE TWO (2) WATER EASEMENTS FOR SMITH AND MONASCO FOR \$500.00 PER EASEMENTS.

THEREUPON, ALDERMAN SCOTT MADE A MOTION FOR JOEY JARRELL TO APPRAISE THE WATER EASEMENTS. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE WATER DEPARTMENT TO ISSUE A REFUND TO JANELLE CARRAWAY FOR OVERPAYMENT ON HER ACCOUNT IN THE AMOUNT OF \$22.70.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO MAKE REFUND TO JANELLE CARRAWAY FOR THE \$22.70. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM THE PETAL HIGH SCHOOL GOLF CHAMPIONSHIP RING COMMITTEE TO MAKE A DONATION TO THE COMMITTEE TO HELP DEFRAID THE COST OF THE RINGS.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO TAKE NO ACTION ON THIS, BECAUSE THIS IS NOT PERMISSIBLE UNDER STATE LAW FOR THE CITY TO MAKE A DONATION.

THOSE PRESENT AND VOTING "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE CLAIM DOCKET FOR THE MONTH OF MAY, 2001

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO PAY THE CLAIM DOCKETS FOR MAY, 2001. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING PROOF OF PUBLICATION.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION THAT THE FOREGOING PROOFS BE ACCEPTED AND FILED. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED ESTIMATE #19 IN THE AMOUNT OF \$488.90 FROM SHOWS, DEARMAN, AND WAITS FOR ENGINEERING SERVICES ON THE HIGHWAY 42 UTILITY RELOCATION PROJECT.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT THE ESTIMATE FROM SHOWS, DEARMAN AND WAITS FOR \$488.90. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A CONTRACT WITH SHOWS, DEARMAN AND WAITS ON THE BRIDGE ON CHAPPEL HILL ROAD.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO TAKE THE FOREGOING CONTRACT UNDER ADVISEMENT. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A LETTER FROM WILLIAM H. JONES, ATTORNEY AT LAW, FOR MS JO ANN BOURNE. MS BOURNE FELL DOWN AT THE CITY OF PETAL WALKING TRACK AND INJURED HERSELF.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ACCEPT THE LETTER AND SEND A COPY OF THE LETTER TO DAVID MITCHELL WITH THE MISSISSIPPI MUNICIPAL LIABILITY COMPANY. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY ASK FOR SYLVIA FOSTER, PETAL ASSOCIATION FOR FAMILIES, TO TALK WITH THE BOARD. HER CONCERN WAS THAT THE PETAL CIVIC CENTER SENIOR BREAKFAST ON THURSDAY MORNINGS, IS THAT THE PERSON IN CHARGE WOULD NOT LET HER TALK TO THE SR CITIZEN DURING THIS TIME. MAYOR GAY TOLD HER THAT IT WAS NOT JUST HER, BUT ANYBODY THAT TRIES TO INTERFER WITH THE BREAKFAST AND THERE BINGO TIME.

WHEREAS, MAYOR GAY SAID THAT THE CITY WOULD SET UP A POLICY FOR THE CIVIC CENTER TO HOLD PRESENTATION TO THE SENIOR ADULTS ON THURSDAY AT 11:00 A.M. AFTER THE SENIOR BREAKFAST.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO ACCEPT FOR THE MAYOR TO SET UP A POLICY FOR THE SENIOR ADULTS TO HAVE PRESENTATION MADE TO THEM ON THURSDAYS AFTER BREAKFAST. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM CHIEF EVANS FOR SHANE CLARK AND SHANE PICKETT TO ATTEND DRIVER/OPERATOR 1002 IN JACKSON, MISSISSIPPI ON JUNE 18-29, 2001.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO AUTHORIZE SHANE CLARK AND SHANE PICKETT TO ATTEND THE SEMINAR AND PAY THERE EXPENSES. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM CHIEF EVANS FOR JOEL SCOTT TO ATTEND THE MS TRAINING ACADEMY IN PEARL, MISSISSIPPI ON JULY 9-SEPTEMBER 13, 2001.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO AUTHORIZE JOEL SCOTT TO ATTEND THE MISSISSIPPI TRAINING ACADEMY AND PAY HIS EXPENSES. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A REQUEST FROM DAN TOLBERT TO ATTEND THE CODE WORKSHOP-IAEI IN BILOXI, MISSISSIPPI ON JULY 29-31, 2001.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO AUTHORIZE DAN TOLBERT TO ATTEND THE CODE WORKSHOP AND PAY HIS EXPENSES. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION FROM DALE NUTTING TO GIVE DEXTER BENDER HIS ANNUAL SALARY INCREASE TO \$7.50 AN HOUR.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO ADOPT THE FOLLOWING
OFDER GIVING DEXTER BENDER A RAISE. ALDERMAN SCOTT SECONDED THE MOTION.

ORDER

WHEREAS, THE MAYOR AND BOARD OF
ALDERMAN, UPON THE RECOMMENDATION OF
DALE NUTTING, DO HEREBY DEEM IT NECESSARY
TO GIVE DEXTER BENDER HIS ANNUAL RAISE.

IT IS HEREBY ORDERED THAT DEXTER
BENDER BE GIVEN RAISE TO \$7.50 PER HOUR
EFFECTIVE

SO ORDERED ON THIS THE 10TH DAY OF
JUNE, AD, 2001.

THOSE PRESENT AND VOTNG "YEA"

WILLIE W. HINTON
CHARLES E. HOLBROOK
LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE RECOMMENDATION FROM DALE
NUTTING IN HIRING MICHAEL CARTER IN THE STREET DEPARTMENT AT A RATE OF \$6.25
AN HOUR STARTING JUNE 11, 2001.

THEREUPON, ALDERMAN SCOTT MADE A MOTION TO HIRE MICHAEL CARTER IN
THE STREET DEPARTMENT EFFECTIVE JUNE 11, 2001. ALDERMAN HINTON SECONDED THE
MOTION.

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED RECOMMENDATION FOR RALPH EDDLEMON
TO BECOME SUPERVISOR OF WATER/SEWER DEPARTMENT EFFECTIVE JUNE 18, 2001.

THEREUPON, ALDERMAN HOLBROOK MADE A MOTION TO ACCEPT THE
RECOMMENDATION OF RALPH EDDLEMON TO BECOME THE SUPERVISOR OF
WATER/SEWER DEPARTMENT. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING PROCLAMATION
DECLARING THE WEEK OF JUNE 3-JUNE 9, 2001 AS NATIONAL GARDEN CLUB WEEK IN
PETAL.

SEE EXHIBIT "D"
PROCLAMATION

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

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK

ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED THE FOLLOWING RESOLUTION MITIGATING FLOOD DAMAGE AROUND GREENS CREEK.

SEE EXHIBIT "E"

RESOLUTION

A RESOLUTION TO CONSTRUCT AND MAINTAIN AN EARTHEN BERM AT A POINT ON ELIZABETH CIRCLE FOR THE FLOODING FROM GREENS CREEK

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

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY RECOMMENDED THAT A COMMITTEE BE FORMED BY ALL THE ALDERMEN TO LOOK AT THE 6 (SIX) BIDS WE RECEIVED FROM THE ENGINEERING SERVICE FOR S MAIN STREET THAT THE CITY ADVERTISED FOR. THEY NEED TO COME BY CITY HALL AND RATE THE BIDS LISTED.

THEREUPON, ALDERMAN HOLBROOK MADE THE MOTION FOR THE ALL ALDERMAN TO COME BY AND RATE THE BIDS FOR S MAIN STREET. ALDERMAN SCOTT SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR GAY PRESENTED A LETTER FROM DEBORAH REYNOLDS REQUESTING FOR HER AND HER HUSBAND, LARRY, TO ENROLL IN THE CITY'S HEALTH INSURANCE.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO LET DEBORAH REYNOLDS ENROLL IN THE HEALTH INSURANCE PROVIDING THE INSURANCE COMPANY WILL ACCEPT THE APPLICATION. ALDERMAN HOLBROOK SECONDED THE MOTION.

THOSE PRESENT AND VOTING "YEA"

ALDERMAN WILLIE W. HINTON
ALDERMAN CHARLES E. HOLBROOK
ALDERMAN LEROY SCOTT

THOSE PRESENT AND VOTING "NAY"

NONE

THEREBEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON THIS THE 8TH DAY OF JUNE, A.D., 2001.

JACK GAY
MAYOR

A handwritten signature in black ink, appearing to read "Jack Gay", written over a horizontal line.

(SEAL)

ATTEST:


JEAN ISHEE
INTERIM CITY CLERK

EXHIBIT "A"



CITY OF PETAL

POST OFFICE BOX 564
PETAL, MISSISSIPPI 39465
(601) 545-1776
Fax No. (601) 545-6685

JACK GAY
MAYOR

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

PRISCILLA C. DANIEL
CITY CLERK

THOMAS W. TYNER
CITY ATTORNEY

QUOTES for 48" MOWER (JUNE 2001)

J.R. & D. RENTALS

	<i>Mower</i>	<i>Total</i>
48K5502-2TR Rider Mid Cut 48" Deck, 19HP (Kawasaki)	\$4,400.00	\$4,400.00
WARRANTY: Blade Spindle-2yrs.		
Wheel Motors-5yrs.		
Hydraulic Pumps-1yr.		
Engine-2yrs.		
Encore Maintenance & Labor-1yr.		

UNDERWOOD SMALL ENGINES

	<i>Mower</i>	<i>Total</i>
LHP4821KA 48" Cut. 21HP (Kawasaki)	\$5376.00	\$5376.00
WARRANTY: Frame-1yr.		
Engine-2yrs.		
Bearings & Quill Assembly-3yrs.		

NOTE: Both mowers are under state contract, J.R.&D. distributor is B&B Distributing from Hattiesburg and Underwood Small Engines distributor is RW Distributors, Inc. from Jackson.

EXHIBIT "B"

8714

DATE 5/22/01

NAME BOBBY CATT

ADDRESS 261 7214 e)

SOLD BY CASH C.O.D. CHARGE ON ACCT. MDSE. RETD. PAID OUT

"4" Property
14 Ac. Next to
Friendly Park

QUAN	DESCRIPTION	PRICE	AMOUNT
1			\$1,400 per Ac.
2	12 AC	\$12,000	
3			
4	14 AC	\$24,000	\$1,714 per Ac.
5			
6	Tractor	80.00	
7			
8	Tractor with Trunk	90.00	
9			
10	Days	60.00	
11			
12	Days Rake	70.00	

THIS PRICE IS IN LINE ACCORDING TO SHOWS DRAWN BY WAI

CUSTOMER'S ORDER NO. _____ REC'D BY _____

KEEP THIS SLIP FOR REFERENCE
5L527/01527 REDIFORM

I am Recommending that we Contract w/ the above Person on clearing & grabbing "4" property & 14 Ac. next to Friendly park. The MAXIMUM TOTAL is \$35,000 w/ \$34,000 to be Reimbursed by "4". Mr Catt comes highly Recommended by Shows, Dearman, Waits & Women Peaving. I feel the lump sum (\$35,000) is better than trying to figure out by hour RATE.

J.G.

EXHIBIT "C"

BRUNINI, GRANTHAM, GROWER & HEWES, PLLC
ATTORNEYS AT LAW

R. WILSON MONTJOY II

1400 TRUSTMARK BUILDING / 248 EAST CAPITOL STREET
JACKSON, MISSISSIPPI 39201

EDMUND L. BRUNINI
(1911-1992)

DIRECT: 601-960-6856
E-MAIL: wmontjoy@brunini.com

POST OFFICE DRAWER 119
JACKSON, MISSISSIPPI 39205

R. GORDON GRANTHAM
(1912-1986)

TELEPHONE: 601-948-3101
FACSIMILE: 601-960-6902

JOHN M. GROWER
OF COUNSEL

May 29, 2001

Mr. Tom Tyner
Aultman Tyner Ruffin & Yarborough Ltd.
P. O. Drawer 750
Hattiesburg, MS 39403-0750

RE: Petal Gas Storage LLC

Dear Tom:

I enclose for your records a fully-executed original of the Contract Granting Fee-in-Lieu of Ad Valorem Taxation among Forrest County, the City of Petal, the Mississippi Development Authority and Petal Gas Storage, LLC. I assume you will record this fully-executed agreement in the minutes of the City Council. I would appreciate receiving a copy of the instrument as recorded.

Thank you for all your assistance in finalizing this agreement.

Sincerely,

Brunini, Grantham, Grower & Hewes, PLLC



R. Wilson Montjoy II

RWM/kk

cc: Russ Kovin

EXHIBIT "C"

CONTRACT GRANTING FEE IN LIEU OF AD VALOREM TAXATION

THIS Contract is made and entered into as of October 24, 2000, by and among FORREST COUNTY, MISSISSIPPI (the "County"), the CITY OF PETAL, MISSISSIPPI, acting for itself and for the Petal Municipal Separate School District (the "City"), the MISSISSIPPI DEVELOPMENT AUTHORITY, acting for and on behalf of the State of Mississippi ("MDA"), and PETAL GAS STORAGE COMPANY (together with any successor in ownership being herein referred to as "Petal"), a wholly-owned subsidiary of El Paso Energy Partners, a publicly traded Master Limited Partnership (the "Partnership").

RECITALS

WHEREAS, Petal owns and currently operates natural gas storage facilities (the "Existing Facility") located in the County, with portions thereof located within the City or within areas subject to annexation by the City and other portions thereof located outside the City but within the boundaries of the Petal Municipal Separate School District ("the City School District"); and

WHEREAS, Petal's Existing Facilities have enhanced economic development of the County and the City by providing employment and increasing the tax base; and

WHEREAS, in recognition of those economic development benefits, the Existing Facility was previously granted a tax exemption under Miss. Code Ann. §27-31-101; and

WHEREAS, Petal has proposed to construct an expansion of its Existing Facility (the "Expansion"), to include additional natural gas storage caverns, various surface facilities and a pipeline approximately 65 miles in length, with portions of said Expansion to be located in the County, the City or areas subject to annexation by the City, the City School District, and the counties of Jones, Jasper, and Clarke; and

EXHIBIT "C"

WHEREAS, the proposed Expansion would involve the expenditure of at least \$100 million and would also provide numerous construction jobs and additional permanent employment after completion of construction; and

WHEREAS, the proposed Expansion would enhance the economic and industrial development of the County and City and may offer opportunities to recruit other industries, such as gas fueled electric power generation and PCV manufacturing, thereby enhancing still further the benefits derived from the Expansion; and

WHEREAS, the Mississippi Business Finance Corporation has considered the Expansion and has, by formal board action on July 12, 2000, Approved the qualification of and induced the Expansion for economic development benefits pursuant to Sections 57-10-201, et seq; and

WHEREAS, Petal has requested certain tax incentives from the County and the City in the form of a fee in lieu of an ad valorem taxation pursuant to Miss. Code Ann. §§ 27-31-104 and §27-31-105(2) (Supp. 1999) in the amount of one-third (1/3) of the annual ad valorem tax levy for each of ten (10) consecutive years after the year in which the Expansion is completed and placed in commercial operation ("Fee in Lieu"); and

WHEREAS, the proposed Expansion is eligible for a Fee in Lieu of ad valorem taxation pursuant to Sections 27-31-104 and 27-31-105(2) in that: (a) Petal is a private company as defined in Section 57-61-5, (b) the Facility and the Expansion are enumerated in Section 27-31-101 and (c) Petal's capital investment for the Expansion will exceed \$100 million; and

WHEREAS, the County, in order to induce Petal to locate the Expansion in the County, has by resolution dated _____, and the City, by resolution dated _____, have declared their intent to and agreed to enter into this Contract

EXHIBIT "C"

with Petal granting to Petal and to the Expansion a Fee in Lieu of all ad valorem taxes which could be imposed on the Expansion and all appurtenant and related facilities in the amount of one-third (1/3) of the annual ad valorem tax levy otherwise applicable, including ad valorem taxes for school purposes, for a period of ten (10) consecutive years after the year in which the Expansion has been completed and placed into commercial operation; and

WHEREAS, the County, the City and Petal understand and believe that MDA approves the granting of said tax incentive and is agreeable to entering into this Fee in Lieu contract pursuant to Section 27-31-104 and Section 27-31-105(2); and

WHEREAS, it is now appropriate for the Parties to enter into this contract granting the Fee in Lieu as expressed above.

NOW, THEREFORE, in consideration of the premises and the mutual covenants, promises and agreements herein contained, the sufficiency of which is hereby acknowledged, the Parties hereto mutually agree and stipulate as follows:

1. Petal agrees to pursue development of the Expansion, subject to obtaining all of the necessary regulatory permits and approvals, obtaining all financial and other necessary commitments deemed necessary by Petal, and making all relevant engineering, economic and other determinations deemed necessary by Petal.

2. Petal agrees to cooperate with the Mississippi Polymer Institute, the Area Development Partnership and the Mississippi Development Authority (formerly the Mississippi Department of Economic and Community Development) to identify and recruit additional industries to locate near the Expansion based on the availability of natural gas and the availability of brine resulting from construction of the Expansion. Additionally, Petal will cause an affiliate of the

EXHIBIT "C"

Partnership's General Partner to evaluate the potential of locating a generation facility near the Expansion.

3. The County and the City (acting for itself and the City School District), under the authority of Sections 27-31-104 and 27-31-105(2) and with the approval of MDA, hereby grant to Petal and to the Expansion a Fee in Lieu of all ad valorem taxes which could be imposed upon the Expansion in the amount of 1/3 of the annual ad valorem tax levy otherwise applicable, including ad valorem taxes for school district purposes. The Fee in Lieu shall be determined and implemented as follows:

- a. In order to distinguish Petal's Existing Facility, currently subject to an exemption under Section 27-31-101, from the Expansion for which a Fee-in-Lieu is herein granted, the parties agree that the facilities included in each are as follows:
 - (i) The Existing Facility includes the following:
 - Petal Compression/Dehydration Plant I
Section 26, T 5 N, R 12 W
 - Storage Cavern # 6
Section 26, T 5 N, R 12 W
 - Petal 20" pipeline - multiple sections
 - Existing Petal/Tennessee meter station
Section 23, T 5 N, R 12 W
 - (ii) The Expansion will include the following:
 - Petal Compressor/Dehydration Plant II
Section 26, T 5 N, R 13 W
 - Storage Cavern #7
Section 25, T 5 N, R 13 W
 - Storage Cavern #8
Section 26, T 5 N, R 13 W

EXHIBIT "C"

- Petal 36" pipeline - multiple sections in Forrest County
- Expansion to existing metering station Section 23, T 5 N, R 12 W

- b. As used in this Fee in Lieu Contract, the term "Expansion" includes all real and personal property and property rights subject to ad valorem taxation in the County, the City School District, the City, and areas subject to annexation by the City, which are related, directly or indirectly, to Petal's expanded operations and the new facilities described above in the County involving the storage or transportation of natural gas including, but not limited to, underground caverns, above-ground facilities such as compressors and related equipment, pipelines, leaching equipment, natural gas owned by Petal, as well as all of Petal's real property interests involved in its expanded operations and new facilities, including, but not limited to, leaseholds, easements, roads and other rights of way benefitting the Expansion. No property will be included in the Expansion which is currently subject to exemption by the County and the City.
- c. The parties agree that no component of the Expansion is subject to ad valorem taxation prior to the initiation of commercial operation of that component in the relevant taxing jurisdiction. Consequently, the lien date for the first year of full ad valorem taxation of each component of the Facility shall be the January 1st after the date that component is completed and placed into commercial operation. The first year of Fee in Lieu exemption shall be applicable to the first year of full ad valorem taxation as previously described. The Fee in Lieu shall remain in effect for an aggregate period of ten (10) consecutive years in the manner allowed by law.

It is currently anticipated that the following components will be placed into commercial operation in Forrest County during calendar 2001: Petal Compressor/Dehydration Plant II, Storage Cavern #7, Petal 36" pipeline and metering station expansion. Said items are expected to be placed on the tax rolls as of January 1, 2002. Pursuant to this agreement, the first year of Fee in Lieu would apply to tax year 2002.

- d. The Fee in Lieu granted herein is not a fixed dollar amount, but rather a fixed one-third percentage of the total ad valorem tax levy that would otherwise be applicable during each of the ten years of exemption. Except as otherwise provided by agreement among the parties and the Tax Assessors and Collectors of the County and the City, the method and timing of assessment

EXHIBIT "C"

and collection of the Fee in Lieu shall be the same as for the assessment and collection of ad valorem taxes.

- e. Because the proposed Expansion will be located across substantial areas of the County, different portions of the Expansion will lie in different taxing jurisdictions, and the total tax burden and the relevant taxing authorities will vary depending on location. Portions of the Expansion will lie solely within the taxing jurisdiction of the County, portions will lie in the City School District but outside the boundaries of the City, and portions will lie within lands subject to annexation by the City (said annexation having been approved by the Chancery Court of Forrest County, Mississippi, but currently on appeal to the Mississippi Supreme Court).

The parties agree that the Fee-in-Lieu applicable to each portion of the Expansion in each taxing district shall be one-third of the total ad valorem tax levied thereon by all taxing authorities in that taxing district. The parties further agree that the one-third Fee-in-Lieu paid by Petal relating to each taxing district will be proportionately allocated to each taxing jurisdiction and each beneficiary thereof (such as the City School District or Junior College District) so that each will receive a proportionate one-third of the tax revenue which it would otherwise have received during each of the ten years of abatement.

- f. The Fee-in-Lieu herein granted by the City relates both to the taxes it is currently authorized to levy and any additional tax it will in the future be authorized to levy by virtue of final court approval of its proposed annexation.

4. MDA hereby gives its approval to the Fee in Lieu as provided in Sections 27-31-104 and 27-31-105(2). As part of its approval, MDA finds that Petal and the Expansion qualify for a grant of the Fee in Lieu and that this Contract and the grant of the Fee in Lieu are authorized under Sections 27-31-104 and 27-31-105(2).

5. As an additional inducement to Petal, the County and City agree to support and cooperate with Petal in the development of the Expansion, including acting expeditiously on permit or other applications made by Petal, and granting easements required for Petal or its designees to the extent allowed by law and to the extent that the County and City own rights which are suitable and

EXHIBIT "C"

available.

6. The Parties consent to Petal's assignment of its ownership rights, in whole or in part, and the Fee in Lieu granted herein shall inure to the benefit of Petal's successors and assigns. This Contract shall be binding upon the Parties as well as their respective assigns and successors in title.

7. This Contract constitutes the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior written and oral agreements and understandings with respect to such subject matter. This Contract may not be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, waiver or modification shall be sought. Nothing in this Contract, express or implied, shall be construed to give any person or entity (other than the Parties hereto, their successors and assigns) any legal or equitable right, remedy or claim under or in respect of this Contract or any covenants, condition or provision contained herein.

8. No presumption will apply in favor of any Party hereto in the interpretation of this Contract or in the resolution of any ambiguity of any provision hereof.

9. If any clause, provision, or section of this Contract is held to be illegal or invalid by any Court, the invalidity of such clause, or provision or section shall not effect any of the remaining clauses, provisions, or sections hereof and this Agreement shall be construed and enforced as if such illegal or invalid clause, provision, or section had not been contained herein.

10. This Agreement may be executed in any number of counterparts each of which, when so executed and delivered, shall be an original, but all such counterparts shall together be one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Contract to be executed as of the date

EXHIBIT "C"

and year first above written although executed on the date that set forth their respective names.

PETAL GAS STORAGE COMPANY

Date: 11/27/2000

BY: David L Hayden

Its: As Vice President

FORREST COUNTY, MISSISSIPPI

Date: 11/1/00

BY: [Signature]
President, Forrest County Board of Supervisors

Attest:

[Signature]
Jimmy C. Havard, Clerk of the Board

CITY OF PETAL, MISSISSIPPI

Date: 10/24/00

BY: [Signature]
Mayor

Attest:

[Signature]
Priscilla D. Daniel, City Clerk

**MISSISSIPPI DEVELOPMENT AUTHORITY, acting
for and on behalf of the State of Mississippi**

Date: _____

BY: [Signature]
J. C. Burns, Executive Director

EXHIBIT "D"

City of Petal
Petal, Mississippi
Proclamation



WHEREAS, the National Garden Club, Incorporated, along with the City of Petal, Mississippi as a means of promoting participation in gardening and its various aspects; of encouraging new and old gardeners to increase their participation in related activities; and also has a means of recognizing and honoring those gardeners who have contributed their time and efforts toward the creation and preservation of beauty, not only in their immediate area, but also at the state and national level,

NOW THEREFORE, I JACK GAY, MAYOR OF PETAL ALONG WITH THE BOARD OF ALDERMEN do hereby proclaim the week of June 3 thru June 9, 2001 as "Garden Week" in the City of Petal, Mississippi.

Alderman
Willie Hinton
Gene Holbrook
Robert Langford
Donnie Rowell
Leroy Scott

In witness whereof I have hereunto set my hand and caused this seal to be affixed.

Attest: _____

Date: _____

EXHIBIT "E"

**RESOLUTION OF THE MAYOR AND BOARD OF ALDERMAN
OF THE CITY OF PETAL, MISSISSIPPI**

Whereas the Mayor and Board of Alderman of the City of Petal, Mississippi, are charged with the responsibility of mitigating flood damage and loss to residents and property owners of the City of Petal, Mississippi, and;

Whereas the Mayor and Board of Alderman of the City of Petal, Mississippi, have found and determined that Greens Creek, which traverses the City of Petal, Mississippi, is a source of flooding causing damages to real and personal property, and;

Whereas in order to mitigate damage to persons and property caused by the flooding of Greens Creek, it is necessary and appropriate that the City of Petal, Mississippi, construct and maintain certain earthen berm and dams to mitigate the flooding potential of Greens Creek, and;

Whereas it is necessary and appropriate to construct and maintain an earthen berm at a point on Elizabeth Circle, between Lots 8 and 9 of the Wilson Estates Subdivision, in order to mitigate the flooding potential of Greens Creek in the City of Petal, Mississippi.

It is further Resolved by the Mayor and Board of Alderman of the City of Petal, Mississippi, that the construction and maintenance of said earthen berm will not cause any damage to property owners in Wilson Estates Subdivision, and will not unduly restrict access to property within said subdivision to the property owners within said Wilson Estates Subdivision.

SO RESOLVED ON THIS, the 5th day of June, A.D., 2001.

The above and foregoing resolution, having been presented to the Mayor and Board of Alderman of the City of Petal, Mississippi, Alderman HINTON moved for the adoption of said resolution. Alderman SCOTT seconded the motion, with the following votes in favor of the resolution:

Alderman WILLIE W. HINTON

Alderman CHARLES HOLBROOK

Alderman LEROY SCOTT

Alderman _____

Alderman _____

EXHIBIT "E"

Those opposed to the resolution as presented:

Alderman _____

Alderman _____

Alderman _____

Alderman _____

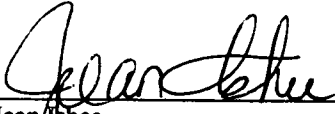
Alderman _____

The above and foregoing resolution having received the affirmative vote of the majority of the Board of Alderman of the City of Petal, Mississippi, said resolution is hereby passed, adopted, and approved, on this, the 5th day of June, A.D., 2001.



Jack Gay
Mayor

ATTEST:



Jean Shee
City Clerk