

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 OCTOBER 1, 2002 AT 7:00 P.M. IN THE BOARD ROOM OF SAID CITY.

THOSE PRESENT	MAYOR TONY PHILLIPS
CITY ATTORNEY	DAPHNE LANCASTER
ALDERMEN	WILLIE W HINTON JOE C MCMURRY, SR STEVE STRINGER WILLIAM A TRAVIS
OTHERS PRESENT	SHANE WEEKLEY SAMUEL KEYS MELISSA & CARL SCOTT CAROL POWELL KNOX WALTERS ROM CORMIER AND MANY OTHERS

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

THE INVOCATION WAS OFFERED BY MAYOR TONY PHILLIPS.

WHEREAS, MAYOR PHILLIPS PRESENTED THE AGENDA WITH THE FOLLOWING CHANGES:

- IX. GENERAL BUSINESS
  - 2. OMIT
  - 3. REQUEST TO PAY ESTIMATE #2 TO PIERCON, INC FOR \$49,382.00 ON THE JUDICAL/POLICE ADDITION.
  
- XII. RESOLUTIONS & PROCLAMATION
  - 2. RESOLUTION FOR THE WALMART TIF PROJECT

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE AGENDA AS AMENDED. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 17, 2002 AND THE SPECIAL MEETING OF SEPTEMBER 24, 2002.

THEREUPON, ALDERMAN HINTON MADE A MOTION THAT THE MINUTES OF THE MEETING OF SEPTEMBER 17, 2002 AND THE SPECIAL MEETING OF SEPTEMBER 24, 2002 BE ACCEPTED AS WRITTEN. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS CALLED FOR PUBLIC COMMENT.

THEREUPON, KNOX WALTERS ADDRESSED THE BOARD ABOUT THE BUDGET CUT OF THE SENIOR BREAKFAST FOR THE FY 2002-2003. ALL THE SENIORS WOULD LIKE TO DO IS TO ENJOY THE FELLOWSHIP AND BINGO. THE MAYOR INFORMED THE SENIOR

CITIZENS THAT THE BREAKFAST WOULD CONTINUE ON THURSDAY AND NOTHING WILL BE CUT OUT FROM THEIR MORNING ACTIVITIES.

THEREUPON, CARL SCOTT ADDRESSED THE BOARD TO GIVE AN UPDATE ON THE LIBRARY BUDGET.

THEREUPON, SHANE WEEKLEY ADDRESSED THE BOARD ABOUT THE MOBILE HOME LOCATED ON BEAGLE LANE. MR. WEEKLEY WOULD LIKE TO KNOW FROM THE BOARD WHAT THEY ARE GOING TO DO ABOUT THE MESS AND GARBAGE AROUND THE MOBILE HOME. HE LIVES PAST THE MOBILE HOME AND HE IS TIRED OF LOOKING AT THE MESS.

WHEREAS, MAYOR PHILLIPS PRESENTED THE CLAIMS #68815-69232 OF THE CITY OF PETAL GENERAL FUNDS AND THE PETAL WATER AND SEWER FUNDS.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO PAY CLAIMS #68815-69232 OF THE CITY OF PETAL GENERAL FUNDS AND THE PETAL WATER AND SEWER FUNDS. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "ABSTAINING"

ALDERMAN WILLIAM A TRAVIS

WHEREAS, MAYOR PHILLIPS PRESENTED THE MUNICIPAL COMPLIANCE QUESTIONNAIRE TO THE BOARD.

SEE EXHIBIT "A"

MUNICIPAL COMPLIANCE QUESTIONNAIRE

THEREUPON, ALDERMAN MCMURRY MADE A MOTION THAT THE MUNICIPAL COMPLIANCE QUESTIONNAIRE BE ACCEPTED AND SPREAD UPON THE MINUTES. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

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

- 1) RESOLUTION AUTHORIZING AN AMENDMENT TO THE INCORPORATION AGREEMENT OF THE PINE BELT SOLID WASTE AUTHORITY
- 2) NOTICE OF PUBLIC HEARING ON TAX INCREASE FY 2002 BUDGET
- 3) REQUEST FOR PROPOSALS 2003 CDBG

THEREUPON, ALDERMAN MCMURRY MADE A MOTION THAT THE FOREGOING PROOFS OF PUBLICATION BE ACCEPTED AND FILED. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A REQEUST TO PAY ESTIMATE #2 TO PIERCON, INC IN THE AMOUNT OF \$49,382.00 FOR THE JUDICIAL/POLICE ADDITION.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO PAY PIERCON, INC IN THE AMOUNT OF \$49,382.00 FOR THE JUDICIAL/POLICE ADDITION. ALDERMAN TRAVIS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING ORDER HIRING STEVEN MOONEY AS A PART-TIME FIREFIGHTER.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A PART-TIME FIREFIGHTER IN THE FIRE DEPARTMENT.

IT IS HEREBY ORDERD THAT STEVEN MOONEY BE HIRED AS A PART-TIME FIREFIGHTER AT A RATE OF \$8.50 PER HOUR EFFECTIVE OCTOBER 16, 2002.

SO ORDERED ON THIS THE 1<sup>ST</sup> DAY OF OCTOBER, 2002.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING ORDER HIRING SCOTT CRAFT AS A PART-TIME FIREFIGHTER.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A PART-TIME FIREFIGHTER IN THE FIRE DEPARTMENT.

IT IS HEREBY ORDERD THAT SCOTT CRAFT BE HIRED AS A PART-TIME FIREFIGHTER AT A RATE OF \$8.50 PER HOUR EFFECTIVE OCTOBER 16, 2002.

SO ORDERED ON THIS THE 1<sup>ST</sup> DAY OF OCTOBER, 2002.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN MCMURRY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING PROCLAMATION  
SETTING THE MONTH OF OCTOBER AS "BREAST CANCER AWARENESS MONTH."

SEE EXHIBIT "B"

PROCLAMATION

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE FOREGOING  
PROCLAMATION. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED A RESOLUTION AUTHORIZING AND  
DIRECTING THE ISSUANCE OF TAX INCREMENT LIMITED OBLIGATION BONDS, SERIES  
2002.

SEE EXHIBIT "C"

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE  
OF TAX INCREMENT LIMITED OBLIGATION BONDS, SERIES 2002  
(WAL-MART SUPERCENTER PROJECT),  
OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY") IN THE  
PRINCIPAL AMOUNT OF NOT TO EXCEED SIX HUNDRED  
THOUSAND DOLARS (\$600,000.00) TO RAISE MONEY FOR THE  
PURPOSE OF PAYING THE COST OF CONSTRUCTING THE  
INFRASTRUCTURE IMPROVEMENTS (AS HEREINAFTER DEFINED).

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADJOURN. ALDERMAN  
TRAVIS SECONDED THE MOTION.


THOSE PRESENT AND VOTING "AYE"

ALDERMAN WILLIE W HINTON  
ALDERMAN JOE C MCMURRY, SR  
ALDERMAN STEVE STRINGER  
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

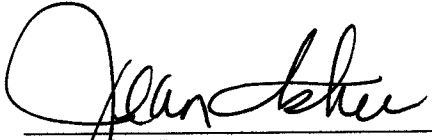
NONE

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 1<sup>ST</sup> DAY OF OCTOBER, 2002.

  
\_\_\_\_\_  
TONY PHILLIPS  
MAYOR

(SEAL)

ATTEST:

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

JEAN ISHEE  
CITY CLERK

EXHIBIT "A"

MUNICIPAL COMPLIANCE QUESTIONNAIRE

PETAL  
(MUNICIPALITY)

INFORMATION

Certification to Municipal Compliance Questionnaire  
Year Ended September 30, 2002

Note: Due to the size of some municipalities, some of the questions may not be applicable. If so, mark N/A in answer blanks. Answers to other questions may require more than "yes" or "no," and, as a result, more information on this questionnaire may be required and/or separate workpapers may be needed.

We have reviewed all questions and responses as contained in this Municipal Compliance Questionnaire for the Municipality of PETAL, and, to the best of our knowledge and belief, all responses are accurate.

- 1. Name and address of municipality: CITY OF PETAL, P O BOX 564, PETAL MS 39465
2. List the date and population of the latest official U.S. Census or most recent official census: 7883
3. Names, addresses and telephone numbers of officials (include elected officials, chief administrative officer, and attorney). MAYOR TONY PHILLIPS 114 GREENHILL DR PETAL MS 583-6111, CITY ATTORNEY THOMAS TYNER 315 HEMPHILL HATTIESBURG MS 583-2671, ALDERMAN WILLIE HINTON 201 BENNETT ST PETAL MS 544-6441, ALDERMAN MICHAEL DRAUGHN 225 SMITHVILLE RD PETAL MS 544-9654, ALDERMAN JOE MCMURRY SR 118 KING RD PETAL MS 545-1065, ALDERMAN STEVE STRINGER 408 BRYANT ST PETAL MS 582-7263, ALDERMAN WILLIAM TRAVIS 718 S GEORGE ST PETAL MS 544-0885, CITY CLERK JEAN ISHEE 107 DREW RIDGE PETAL MS 582-4740
4. Period of time covered by this questionnaire: From: 10-01-01 To: 09-30-02
5. Expiration date of current elected officials' term: JULY 2005

Signatures and dates for City Clerk and Mayor, dated October 2, 2002.

Minute Book References:

Book Number 21, Page

(Clerk is to enter minute book references when questionnaire is accepted by board.)

IV-A7

IV-AB

MUNICIPAL COMPLIANCE QUESTIONNAIRE

ANSWER ALL QUESTIONS: Y - YES, N - NO, N/A - NOT APPLICABLE

PART I - GENERAL

- 1. Have all ordinances been entered into the ordinance book and included in the minutes? (Section 21-13-13) Y
2. Do all municipal vehicles have public license plates and proper markings? (Sections 25-1-87 and 27-19-27) Y
3. Are municipal records open to the public? (Section 25-61-5) Y
4. Are meetings of the board open to the public? (Section 25-41-5) Y
5. Are notices of special or recess meetings posted? (Section 25-41-13) Y
6. Are all required personnel covered by appropriate surety bonds? Appointed officers and those handling money, see statutes governing the form of government (i.e., Section 21-3-5 for Code Charter) Y, Municipal clerk (Section 21-15-38) Y, Deputy clerk (Section 21-15-23) Y, Chief of police (Section 21-21-1) Y, Deputy police (Section 45-5-9) (if hired under this law) Y
7. Are minutes of board meetings prepared to properly reflect the actions of the board? (Sections 21-15-17 and 21-15-19) Y
8. Are minutes of board meetings signed by the mayor or majority of the board within 30 days of the meeting? (Section 21-15-33) Y
9. Has the municipality complied with the nepotism law in its employment practices? (Section 25-1-53) Y
10. Did all officers, employees of the municipality, or their relatives avoid any personal interest in any contracts with the municipality during their term or within one year after their terms of office or employment? (Section 25-4-105) Y

IV-A9

MUNICIPAL COMPLIANCE QUESTIONNAIRE

- 11. Does the municipality contract with a Certified Public Accountant or an auditor approved by the State Auditor for its annual audit within twelve months of the end of each fiscal year? (Section 21-35-31) Y
12. Has the municipality published a synopsis or notice of the annual audit within 30 days of acceptance? (Section 21-35-31 or 21-17-19) Y

PART II - CASH AND RELATED RECORDS

- 1. Where required, is a claims docket maintained? (Section 21-39-7) Y
2. Are all claims paid in the order of their entry in the claims docket? (Section 21-39-9) Y
3. Does the claims docket identify the claimant, claim number, amount and fund from which each warrant will be issued? (Section 21-39-7) Y
4. Are all warrants approved by the board, signed by the mayor or majority of the board, attested to by the clerk, and bearing the municipal seal? (Section 21-39-13) Y
5. Are warrants for approved claims held until sufficient cash is available in the fund from which it is drawn? (Section 21-39-13) Y
6. Has the municipality adopted and entered on its minutes a budget in the format prescribed by the Office of the State Auditor? (Sections 21-35-5, 21-35-7 and 21-35-9) Y
7. Does the municipality operate on a cash basis budget, except for expenditures paid within 30 days of fiscal year end, or for construction in progress? (Section 21-35-23) Y
8. Has the municipality held a public hearing and published its adopted budget? (Section 21-35-5) Y
9. Has the municipality complied with legal publication requirements when budgetary changes of 10% or more are made to a department's budget? (Section 21-35-25) Y

IV-A10

EXHIBIT "A"

MUNICIPAL COMPLIANCE QUESTIONNAIRE

- 10. If revenues are less than estimated and a deficit is anticipated, did the board revise the budget by its regular July meeting? (Section 21-35-25) Y
- 11. Have financial records been maintained in accordance with the chart of accounts prescribed by the State Auditor? (Section 21-35-11) Y
- 12. Does the municipal clerk submit to the board a monthly report of expenditures against each budget item for the preceding month and fiscal year to date and the unexpended balances of each budget item? (Section 21-35-13) Y
- 13. Does the board avoid approving claims and the city clerk not issue any warrants which would be in excess of budgeted amounts, except for court-ordered or emergency expenditures? (Section 21-35-17) Y
- 14. Has the municipality commissioned municipal depositories? (Sections 27-105-353 and 27-105-363) Y
- 15. Have investments of funds been restricted to those instruments authorized by law? (Section 21-33-323) Y
- 16. Are donations restricted to those specifically authorized by law? (Section 21-17-5 (Section 66, Miss. Constitution) -- Sections 21-19-45 through 21-19-59, etc.) Y
- 17. Are fixed assets property tagged and accounted for? (Section 7-7-211 - Municipal Audit and Accounting Guide) Y
- 18. Is all travel authorized in advance and reimbursements made in accordance with Section 25-3-41? Y
- 19. Are all travel advances made in accordance with the State Auditor's regulations? (Section 25-3-41) Y

PART III - PURCHASING AND RECEIVING

- 1. Are bids solicited for purchases, when required by law (written bids and advertising)? (Section 31-7-13(b) and (c)) Y
- 2. Are all lowest and best bid decisions properly documented? (Section 31-7-13(d)) Y

IV-A11

MUNICIPAL COMPLIANCE QUESTIONNAIRE

- 3. Are all one-source item and emergency purchases documented on the board's minutes? (Section 31-7-13(m) and (k)) Y
- 4. Do all officers and employees understand and refrain from accepting gifts or kickbacks from suppliers? (Section 31-7-23) Y

PART IV - BONDS AND OTHER DEBT

- 1. Has the municipality complied with the percentage of taxable property limitation on bonds and other debt issued during the year? (Section 21-33-303) Y
- 2. Has the municipality levied and collected taxes, in a sufficient amount for the retirement of general obligation debt principal and interest? (Section 21-33-87) Y
- 3. Have the required trust funds been established for utility revenue bonds? (Section 21-27-65) Y
- 4. Have expenditures of bond proceeds been strictly limited to the purposes for which the bonds were issued? (Section 21-33-317) Y
- 5. Has the municipality refrained from borrowing, except where it had specific authority? (Section 21-17-6) Y

PART V - TAXES AND OTHER RECEIPTS

- 1. Has the municipality adopted the county ad valorem tax rolls? (Section 27-35-167) Y
- 2. Are interest and penalties being collected on delinquent ad valorem taxes? (Section 21-33-63) Y
- 3. Has the municipality conducted an annual land sale for delinquent ad valorem taxes? (Section 21-33-63) Y
- 4. Have the various ad valorem tax collections been deposited into the appropriate funds? (Separate Funds for Each Tax Levy) (Section 21-33-53) Y

IV-A12

MUNICIPAL COMPLIANCE QUESTIONNAIRE

- 5. Has the increase in ad valorem taxes, if any, been limited to amounts allowed by law? (Sections 27-39-320 and 27-39-321) Y
- 6. Are local privilege taxes collected from all businesses located within the municipality, except those exempted? (Section 27-17-5) Y
- 7. Are transient vendor taxes collected from all transient vendors within the municipality, except those exempted? (Section 75-85-1) Y
- 8. Is money received from the state's "Municipal Fire Protection Fund" spent only to improve municipal fire departments? (Section 83-1-37) Y
- 9. Has the municipality levied or appropriated not less than 1/4 mill for fire protection and certified to the county it provides its own fire protection or allowed the county to levy such tax? (Sections 83-1-37 and 83-1-39) Y
- 10. Are state-imposed court assessments collected and settled monthly? (Section 99-19-73) Y
- 11. Are all fines and forfeitures collected when due and settled immediately to the municipal treasury? (Section 21-15-21) Y
- 12. Are bids solicited by advertisement or, under special circumstances, three appraisals obtained when real property is sold? (Section 21-17-1) Y

EXHIBIT "B"

*City of Petal*  
*Mississippi*  
**Proclamation**

*WHEREAS, Breast Cancer is the most common type of cancer among women, besides skin cancer and is the second leading cause of cancer death; and*

*WHEREAS, Mississippi ranks fifth highest overall in cancer mortality rates among the fifty states and Washington, D. C.; and*

*WHEREAS, in Mississippi in the year 2002 an estimated 2,200 new cases of invasive breast cancer will be diagnosed among women, of those 400 will die; and*

*WHEREAS, more than thirty percent of deaths from breast cancer in women over fifty years of age are preventable by mammography screening and follow-up; and*

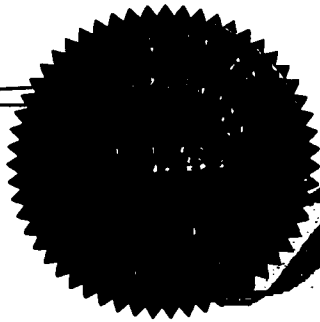
*WHEREAS, increasing awareness and promoting use of breast cancer early detection practices is essential to control this disease;*

*NOW, THEREFORE, I, TONY PHILLIPS, Mayor of the City of Petal, do hereby proclaim the month of October 2002 to be*

*"Breast Cancer Awareness Month"*

*IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the City of Petal to be affixed this 1st day of October, 2002.*

  
*Honorable Tony Phillips*  
*Mayor*





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 Tax Increment Limited Obligation Bonds, Series 2002 (Wal-Mart SuperCenter Project), of said City, in the principal amount not to exceed Six Hundred Thousand Dollars (\$600,000). After a discussion of the subject, Alderman Willie Hinton offered and moved the adoption of the following resolution

**RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF TAX INCREMENT LIMITED OBLIGATION BONDS, SERIES 2002 (WAL-MART SUPERCENTER PROJECT), OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY") IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED SIX HUNDRED THOUSAND DOLLARS (\$600,000) TO RAISE MONEY FOR THE PURPOSE OF PAYING THE COST OF CONSTRUCTING THE INFRASTRUCTURE IMPROVEMENTS (AS HEREINAFTER DEFINED).**

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, acting and on behalf of said City of Petal, Mississippi (the "Governing Body" of the "City"), hereby s, determines, adjudicates and declares as follows

(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 21-45-1 through 21-45-21, 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

"Assessment Certificates" shall mean together the City Assessment Certificate and the County Assessment Certificate

"Authorized Officer" means the Mayor of the City, the Clerk of the City and any other officer designated from time to time as an Authorized Officer by resolution of the City, and when used with reference to any act or document also means any other Person authorized by resolution of the City to perform such act or sign such document

"Bond" or "Bonds" shall mean the Tax Increment Limited Obligation Bonds, Series 2002 (Wal-Mart SuperCenter Project), 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 Year" shall mean year ending October 1 each year

"Capitalized Interest" shall mean the portion of the proceeds of the Bonds utilized for payments of the interest due and payable on the Bonds on October 1, 2003 (the "Capitalized Interest")

"Captured Assessed Value" shall mean the incremental increase in assessed value of the real and personal property of the City and the real property of the County within the Redevelopment Project when the Original Assessed Value is subtracted from the Current Assessed Value as of January 1, 2000 and each January 1 thereafter, all as set forth in the annual Assessment Certificate of each the Forrest County Tax Assessor and/or the Clerk of the City

"City" shall mean the City of Petal, Mississippi

"City Assessment Certificate" shall mean the Assessment Certificate of the City Clerk as required by Section 21-45-21 Mississippi Code of 1972, as amended, under which the Clerk, on behalf of the City will certify as to the value of the Original Assessed Value, Current Assessed Value and Captured Assessed Value as each relates to the Redevelopment Project, which

Assessment Certificate further sets forth the estimated amount of additional ad valorem tax available for City's portion of the debt service on the Bonds

"City Tax Increment Redevelopment Plan" or "City Redevelopment Plan" shall mean the Tax Increment Financing Redevelopment Plan, City of Petal, Mississippi 1999, adopted on June 15, 1999

"City's Tax Increment Financing Plan" shall mean the Tax Increment Financing Plan, Wal-Mart SuperCenter Project, Petal, Mississippi, September, 2000, adopted on September 19, 2000, and as may be amended from time to time

"Clerk" shall mean the City Clerk of the City

"County" shall mean Forrest County, Mississippi

"County Assessment Certificate" shall mean the Assessment Certificate of the County Tax Assessor as required by Section 21-45-21, Mississippi Code of 1972, as amended, under which the County Tax Assessor, on behalf of the County will certify as to the value of the Original Assessed Value, Current Assessed Value and Captured Assessed Value as each relates to the Redevelopment Project, which County Assessment Certificate further sets forth the estimated amount of additional ad valorem tax available for the County's portion of debt service on the Bonds

"County Tax Increment Redevelopment Plan" or "County Redevelopment Plan" means the Tax Increment Financing Redevelopment Plan, Forrest County, Mississippi 1996, adopted April 18, 1996

"County's Tax Increment Financing Plan" shall mean the Tax Increment Financing Plan, Wal-Mart SuperCenter Project, Forrest County, Mississippi, September, 2000, adopted September 21, 2000, and as may be amended from time to time

"Current Assessed Value" shall mean the amount by which the assessed value of real property, including personal property located thereon, located within the Redevelopment Project has increased or decreased from the Original Assessed Value, as certified annually by the Forrest County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act

"Developer" shall mean Wal-Mart Stores East, Inc., a wholly owned subsidiary of Wal-Mart Stores, Inc

"Developer's Project" shall mean the construction of a 109,000 square foot Wal-Mart SuperCenter on approximately 14 acres of property located off of Highway 42 in the City

"Development Agreement" shall mean the Development and Reimbursement Agreement between the Developer and the City, as approved by the City on September 19, 2000

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

"Infrastructure Improvements" shall mean and include, but not necessarily limited to, the installation of utilities such as water, sanitary sewer and natural gas lines, installation of drainage, construction of roadways with curb and gutter, installation of traffic signalization and signage; relocation/realignment of roadways; relocation of utilities; landscaping of rights-of-way; purchase of rights-of-way necessary for the installation of the infrastructure improvements in connection with the development of a Wal-Mart SuperCenter, related engineering fees, attorney's fees, Capitalized Interest, and other related soft costs

"Interlocal Agreement" shall mean the Interlocal Agreement between Forrest County, Mississippi and the City of Petal, Mississippi, for the construction, operation, maintenance and funding of Public Infrastructure Improvements which provides for the pledge of tax revenues derived from their respective ad valorem tax levies on the Captured Assessed Value of the real and personal property of the City and the real property of the County, respectively, comprising

the Redevelopment Project to secure and provide for the payment of the principal of and interest on the Bonds.

EXHIBIT "C" "Mayor" shall mean the Mayor of the City

"Original Assessed Value" shall mean the assessed value of the real property, including personal property located thereon of the City and the real property of the County, located within the Redevelopment Project as of January 1, 2000, as certified by the Forrest County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act

"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

"Purchaser" shall mean the successful bidder of 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.

"Redevelopment Plans" shall mean together the City Redevelopment Plan and the County Redevelopment Plan.

"Redevelopment Project" shall mean together the Developer's Project and the Infrastructure Improvements.

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

"Resolution" shall mean this resolution.

"Tax Increment" shall mean the added increments of City and County ad valorem tax revenue resulting from the taxation of the Captured Assessed Value of the real and personal property by the City and real property by the County contained within and forming a part of the Redevelopment Project which shall be necessary and sufficient to pay the principal of and interest on the Bonds and any future series of bonds issued by the City for the Redevelopment Project together with the annual fees and expenses of the Paying Agent, but shall not include ad valorem taxes for school district purposes; provided, however, the County's pledge of ad valorem tax revenues is irrevocable for a period of eleven (11) years and is limited to the payment of ten (10) annual payments or twenty (20) semi-annual payments which shall commence one (1) year from the dated date of the Bonds and excludes the first interest payment due date

"Tax Increment Financing Plans" shall mean together the City's Tax Increment Financing Plan and the County's Tax Increment Financing Plan

"Tax Increment Surplus" shall mean the remainder of the additional ad valorem tax receipts derived from taxation of the Captured Assessed Value, after deducting the Tax Increment regarding debt service due on the Bonds, which surplus shall be returned to or withheld by the City and County, as applicable, and used for any lawful purpose as authorized by Section 21-45-21 of the Act

"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

"2002 Bond Fund" shall mean the City of Petal, Mississippi Tax Increment Limited Obligation Bonds, Series 2002 (Wal-Mart SuperCenter Project), 2002 Bond Fund provided for in Section 12 hereof

"2002 Construction Fund" shall mean the City of Petal, Mississippi Tax Increment Limited Obligation Bonds, Series 2002 (Wal-Mart SuperCenter Project), 2002 Construction Fund provided for in Section 13 hereof

(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. The City of Petal, Mississippi, a municipality as defined in Title 21, Chapter 45, Section 3, Mississippi Code of 1972, as amended, is authorized and empowered by the Constitution and Statutes of the State of Mississippi, including the Act, to undertake and carry out redevelopment projects within an area determined by the Governing Body of the City to be in need of development and/or redevelopment and designated as appropriate for a redevelopment project, in accordance with Redevelopment Plans and Tax Increment Financing Plans adopted by the Governing Body of the City and the Board of Supervisor's of the County, as applicable

3 Said redevelopment projects may include

- i to acquire the redevelopment area, including lands, structures or improvements the acquisition of which is necessary or incidental to the proper clearance, development or redevelopment of such areas or to the prevention of the spread or recurrence of slum conditions or conditions of blight,
- ii to clear the redevelopment area by demolition or removal of existing buildings, structures, streets, utilities or other improvements thereon and to install, construct or reconstruct streets, utilities, bulkheads, boat docks and site improvements essential to the preparation of sites for uses in accordance with the Redevelopment Plans and public improvements to encourage private redevelopment in accordance with the Redevelopment Plans, or
- iii to sell or lease property acquired by the City as part of the Redevelopment Project for not less than its fair value for uses in accordance with the Redevelopment Plans to retain property or public improvements for public use in accordance with the Redevelopment Plans

The "Redevelopment Project" may also include the preparation of the Redevelopment Plans, the planning, survey and other work incident to the Redevelopment Project and the preparation of all plans and arrangements for carrying out the Redevelopment Project, and the relocation of businesses and families required under applicable law

4 The Governing Body of the City on June 15, 1999 and September 19, 2000 has approved the City Redevelopment Plan and the City's Tax Increment Financing Plan, respectively, after conducting a public hearing on each as required by the Act. The Board of Supervisors of the County on April 18, 1996 and September 21, 2000 has approved the County Redevelopment Plan and the County's Tax Increment Financing Plan, respectively, after conducting a public hearing on each as required by the Act.

5 The Governing Body of the City and the Board of Supervisors of the County are authorized and empowered by the Constitution and statutes of the State of Mississippi, including

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the Act, to enter into the Interlocal Agreement to provide for the pledge of tax revenues derived from their respective ad valorem tax levies on the Captured Assessed Value of the real and personal property of the City and the real property of the County, respectively, comprising the Redevelopment Project to secure and provide for the payment of the principal of and interest on the Bonds. The Board of Supervisors of the County and the Governing Body of the City, on November 8, 2001 and January 2, 2002, respectively, approved and adopted the Interlocal Agreement, by and between the County and the City. The Interlocal Agreement provides that the County will pledge, divert and pay to the City that portion of the Tax Increment collected by the County sufficient to pay their portion of the debt service on the Bonds pursuant to the provisions of the Interlocal Agreement.

6. The City, to the greatest extent it determines to be feasible, shall afford maximum opportunity, consistent with the sound needs of the City as a whole, to the rehabilitation or redevelopment of the redevelopment area by private enterprise. In order to utilize appropriate private or public resources to eliminate and prevent the development or spread of slums and urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of slum and blighted areas, and to achieve the objectives of the Redevelopment Plans, the City shall encourage rehabilitation and clearance and redevelopment within the redevelopment area by (1) carrying out a program of voluntary repair and rehabilitation of buildings or other improvements in accordance with the Redevelopment Plans, including, from time to time, making loans to defray all or part of the costs (including costs of acquiring real estate) of repairing and rehabilitating buildings or other improvements in accordance with the Redevelopment Plans, and (2) making loans, from time to time, to defray all or part of the costs of acquiring real property, demolishing and removing buildings and improvements, and constructing improvements (including buildings) in the redevelopment area in accordance with the Redevelopment Plans. Such loans shall be made in accordance with the requirements under the General Plan as defined in the Redevelopment Plans. The City shall also have full authority to issue tax increment bonds for the purpose of completing all or a part of the Infrastructure Improvements in accordance with the Tax Increment Financing Plans.

7. The City desires to issue and sell the Bonds for the purpose of financing the cost of the Infrastructure Improvements, funding Capitalized Interest and paying issuance costs in accordance with the Redevelopment Plans and the Tax Increment Financing Plans.

8. As an inducement to the City to issue the Bonds and to apply the proceeds of such Bonds to fund the cost of constructing the Infrastructure Improvements, it being contemplated by the City that a portion of the incremental increase in revenues from ad valorem taxes on the real and personal property collected with respect to the Redevelopment Project shall, together with the County's portion of incremental increase in revenues from ad valorem taxes on real property, be dedicated to and sufficient for the payment of principal of and interest on the Bonds.

9. The Governing Body will not provide for the issuance of additional bonds payable from the Tax Increment unless the Tax Increment for the preceding year prior to the issuance of the additional bonds was sufficient to provide at least 120% debt service coverage of the combined debt service of such additional bonds and the Bonds.

10. The Governing Body is authorized and empowered by the provisions of the Act to issue the Bonds in the form and manner hereinafter provided for by the Act.

11. 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.** (a) 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.

(b) For the purpose of effecting and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, there is hereby irrevocably pledged

- i. the avails of the Tax Increment authorized herein as the same is received and
- ii. the amounts held on behalf of the City in the funds and accounts established herein, namely the 2002 Construction Fund and the 2002 Bond Fund.

Should there be a failure in any year to comply with the requirements of this subsection (b), such failure shall not impair the right of the Registered Owners of any of the Bonds to subsequently receive payments of principal of and interest on the Bonds from the avails of the Tax Increment or amounts in the funds and accounts named in this subsection (b).

The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

**SECTION 2.** The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount not to exceed Six Hundred Thousand Dollars (\$600,000) to raise money for the Infrastructure Improvements 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 October 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 April 1 and October 1 of each year (each an "Interest Payment Date"), commencing October 1, 2001, and shall mature and become due and payable on October 1 in the years and principal amounts as follows:

YEAR	AMOUNT
2004	\$50,000
2005	50,000
2006	50,000
2007	55,000
2008	60,000
2009	60,000
2010	65,000
2011	65,000
2012	70,000
2013	75,000

(c) The Bonds are subject to mandatory redemption on any Interest Payment Date, in inverse order of maturity, from funds transferred to the 2002 Bond Fund from the 2002 Construction Fund (excluding Capitalized Interest) representing excess funds not utilized for the Infrastructure Improvements remaining in the 2002 Construction Fund, provided, however, if the moneys transferred from the 2002 Construction Fund to the 2002 Bond Fund total less than \$5,000, such moneys shall be used on the following Interest Payment Date for the Bonds to pay interest or principal and interest due on the Bonds.

(d) Bonds maturing on October 1, 2008 and thereafter, are subject to optional 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 October 1, 2007, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of optional redemption.

(e) 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. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

(e) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State of Mississippi, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), (b) certificates of deposit or municipal obligations fully secured by Government Obligations or (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) State and Local Government Series ("SLGS") Securities, and (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under this Bond Resolution and shall no longer be deemed to be outstanding hereunder, and the Registered Owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the Bond Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

**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 ressuance thereof, such sign

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 ressuance.

(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 or Clerk, 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 numbered upward and sufficient in quantity in the judgment of the City to meet the reasonable transfer and ressuance 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 ressuance, whereupon the Transfer Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and 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.

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

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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 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 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.

(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 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 minute variations, omissions and insertions as are permitted or required by this Resolution

[BOND FORM]

UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI  
CITY OF PETAL  
TAX INCREMENT LIMITED OBLIGATION BOND  
SERIES 2002  
(WAL-MART SUPERCENTER PROJECT)

NO. \_\_\_\_\_ \$ \_\_\_\_\_

Rate of Interest	Maturity	Date of Original Issue	CUSIP NO.
		October 1, 2002	

Registered Owner:

Principal Amount: DOLLARS

The City of Petal, State of 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 Tax Increment Limited Obligation Bonds, Series 2002 (Wal-Mart SuperCenter Project), 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 April 1 and October 1 of each year (each an "Interest Payment Date"), commencing October 1, 2003, 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 each 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 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.

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 Six Hundred Thousand Dollars (\$600,000) to raise money for the purpose of paying the cost of constructing the Infrastructure Improvements (as hereinafter defined).

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-45-1 through 21-45-21, Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Governing Body of the City, including a bond resolution adopted on October 1, 2002 (the "Bond Resolution").

The Bonds are subject to mandatory redemption on any Interest Payment Date, in inverse order of maturity, from funds transferred to the Bond Fund from the Construction Fund (excluding Capitalized Interest) representing excess funds not utilized for the Infrastructure

Improvements remaining in the Construction Fund, provided, however, if the moneys transferred from the Construction Fund to the Bond Fund total less than \$5,000, such moneys shall be used on the following Interest Payment Date for the Bonds to pay interest or principal and interest due on the Bonds.

Bonds maturing on October 1, 2008 and thereafter, are subject to optional 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 October 1, 2007, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of optional 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. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

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 (i) the incremental increase in the ad valorem tax revenues generated by the ad valorem tax levied by the City on the real and personal property that constitutes a part of the Redevelopment Project, and (ii) the incremental increase in the ad valorem tax revenues generated by the ad valorem tax levied by Forrest County, Mississippi (the "County") on the real property that constitutes a part of the Redevelopment Project and diverted to the City pursuant to the Interlocal Agreement, dated November 8, 2001 (the "Interlocal Agreement"), between the County and the City, all as described in the Tax Increment Financing Plan, Wal-Mart SuperCenter Project, Petal, Mississippi, September, 2000, as adopted by the Mayor and Board of Aldermen of the City on September 19, 2000, and the Tax Increment Financing Plan, Wal-Mart SuperCenter Project, Forrest County, Mississippi, September, 2000, as adopted by the Board of Supervisors of the County on September 21, 2000. THE BONDS WILL CONSTITUTE LIMITED OBLIGATIONS OF THE CITY PAYABLE SOLELY FROM THE TAX INCREMENT, AS HEREINAFTER DEFINED, AND FROM OTHER MONIES PLEDGED THEREFOR. NEITHER THE FAITH, CREDIT OR TAXING POWER OF THE CITY OR FORREST COUNTY, MISSISSIPPI NOR THE FAITH, CREDIT, OR TAXING POWER OF THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS.

"Captured Assessed Value" shall mean the incremental increase in assessed value of the real and personal property of the City and the real property of the County within the Redevelopment Project when the Original Assessed Value is subtracted from the Current Assessed Value as of January 1, 2000 and each January 1 thereafter, all as set forth in the annual Assessment Certificate of each the Forrest County Tax Assessor and/or the Clerk of the City.

"Current Assessed Value" shall mean the amount by which the assessed value of real property, including personal property located thereon, located within the Redevelopment Project has increased or decreased from the Original Assessed Value, as certified annually by the Forrest County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act.

"Developer's Project" shall mean the construction of a 109,000 square foot Wal-Mart SuperCenter on approximately 14 acres of property located off of Highway 42 in the City.

"Infrastructure Improvements" shall mean and include, but not necessarily limited to, the installation of utilities such as water, sanitary sewer and natural gas lines; installation of drainage; construction of roadways with curb and gutter; installation of traffic signalization and signage; relocation/realignment of roadways; relocation of utilities; landscaping of rights-of-way, purchase of rights-of-way necessary for the installation of the infrastructure improvements in connection with the development of a Wal-Mart SuperCenter, related engineering fees, attorney's fees, Capitalized Interest, and other related soft costs.

"Original Assessed Value" shall mean the assessed value of the real property, including personal property located thereon of the City and the real property of the County, located within the Redevelopment Project as of January 1, 2000, as certified by the Forrest County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act.

"Redevelopment Project" shall mean together the Developer's Project and the Infrastructure Improvements.

"Tax Increment" shall mean the added increments of City and County ad valorem tax revenue resulting from the taxation of the Captured Assessed Value of the real and personal property by the City and real property by the County contained within and forming a part of the Redevelopment Project which shall be necessary and sufficient to pay the principal of and interest on the Bonds and any future series of bonds issued by the City for the Redevelopment Project together with the annual fees and expenses of the Paying Agent, but shall not include ad valorem taxes for school district purposes; provided, however, the County's pledge of ad valorem tax revenues is irrevocable for a period of eleven (11) years and is limited to the payment of ten (10) annual payments or twenty (20) semi-annual payments which shall commence one (1) year from the dated date of the Bonds and excludes the first interest payment due date.

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 limited 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.

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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 \_\_\_\_ day of October, 2002

CITY OF PETAL, MISSISSIPPI

BY: \_\_\_\_\_  
Mayor

COUNTERSIGNED:

\_\_\_\_\_  
City Clerk

(facsimile seal)

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

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.

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

\_\_\_\_\_  
(Authorized Officer)

Date of Assignment: \_\_\_\_\_

Insert Social Security Number or Other Tax Identification Number of Assignee \_\_\_\_\_

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 Tax Increment Limited Obligation Bonds, Series 2002 (Wal-Mart SuperCenter Project), 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 \_\_\_\_\_, 2002

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

(facsimile seal)

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 tax upon all of the taxable real and personal property of the City and the real property of the County within the geographical limits of the Redevelopment Project in such amounts as shall provide for the principal and interest as the same respectfully matures and accrues. All or any portion of the receipts from the levy and collection of said ad valorem tax shall be withheld by the tax collector of each the City and the County, and/or by any other tax collecting agency authorized by law for the collection of said taxes, who shall pay over all such Tax Increment to the Clerk to the credit of the 2002 Bond Fund created pursuant to Section 12 hereof, provided, however, pursuant to the terms of the Interlocal Agreement, the County shall remit its Tax Increment semi-annually commencing March 20, 2004, not less than ten (10) days prior to each Interest Payment Date for the Bonds. Any such moneys so paid to the Clerk to the credit of the 2002 Bond Fund shall be expended only as provided in Section 12 hereof. The Tax Increment Surplus, if any, shall be transferred to the City and County, as applicable, in a pro rata amount based on the amount of their Tax Increment deposited in the 2002 Bond Fund for deposit to their general funds and used for any purpose authorized by law

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 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 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, address and social security or tax identification numbers of the Registered Owners of the Bonds thirty (30) days of the date of sale, or at such other later date as may be designated by the one Bond registered in the name of the Purchaser may be issued in the full amount for its 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

(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.

**EXHIBIT "C"**

(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 Resolution.

**SECTION 12.** (a) The City hereby establishes the 2002 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 2002 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 collected pursuant to Section 8 hereof subject to the limitation as described in sub-section (b) below.

(iii) Any income received from investment of monies in the 2002 Bond Fund.

(iv) Capitalized Interest transferred from the 2002 Construction Fund pursuant to Section 13 of this resolution, and

(v) 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 2002 Bond Fund.

(b) The Clerk shall deposit all moneys, including but not limited to the Tax Increment portion of the receipts, but excluding that portion of the proceeds of the Bonds not representing Capitalized Interest or accrued interest and the Tax Increment Surplus, into a 2002 Bond Fund.

The City shall deposit in the 2002 Bond Fund an amount equal to the amount necessary to make each principal and interest payment due together with the annual fees and expenses of the Paying Agent. The source of such funds shall be limited to the Tax Increment portion of the ad valorem tax receipts and any Capitalized Interest.

(c) 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 2002 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 2002 Construction Fund which shall be held by the City and maintained with a qualified depository. The principal proceeds received upon the sale of the Bonds, excluding accrued interest, including costs of issuance funds and funds for Capitalized Interest shall be deposited in the 2002 Construction Fund. Any income received from investment of monies in the 2002 Construction Fund shall be deposited in the 2002 Construction Fund. From the 2002 Construction Fund there shall be first paid the costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale, validation and delivery of the Bonds. The Capitalized Interest shall be in an amount representing Capitalized Interest for the time period prior to construction of the Infrastructure Improvements, during construction and for not exceeding one (1) year after completion of the construction of the Infrastructure Improvements and the Redevelopment Project. The funds on deposit in the 2002 Construction Fund representing Capitalized Interest shall be transferred to the 2002 Bond Fund on each Interest Payment Date, commencing October 1, 2003, in an amount sufficient to pay interest due on such Interest Payment Date until such Capitalized Interest funds have been fully utilized; provided, however, that the amount of Capitalized Interest transferred to the 2002 Bond Fund on October 1, 2003, shall be reduced by the amount of accrued interest on deposit in the 2002 Bond Fund. Any amounts which remain in the 2002 Construction Fund in amount of

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\$5,000 or integral multiples thereof after the completion of the Infrastructure Improvements shall be transferred to the 2002 Bond Fund and used for the mandatory redemption of Bonds as set forth herein and any amount which remain on deposit in the 2002 Construction Fund which is less than \$5,000 shall be deposited to the 2002 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.** Based on existing statutes, rulings and court decisions and assuming, among other matters, compliance with certain covenants, the interest on the Bonds is exempt from federal income taxation. Under existing law, interest on the Bonds is exempt from 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.

**SECTION 17.** 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 18.** 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;

(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 19.** 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

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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 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 the City during calendar year 2002 is not expected to exceed \$5,000,000.

**SECTION 20.** 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 2002 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 21.** 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, 2002 to December 31, 2002, 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 21, 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 22.** The principal amount of the Bonds is less than \$1,000,000 and said Bonds shall be sold to a purchaser without a view for distributing said Bonds. The Purchaser of said Bonds shall be required to execute a certification at closing to the effect that the Bonds are being purchased for the account of the Purchaser without the intent to distribute. Based on the foregoing, the Bonds will be exempt from the continuing disclosure requirements of Securities Exchange Act Rule 15c-2-12.

**SECTION 23.** The City shall provide for the sale of the Bonds by further resolution of the Governing Body, subject to the following conditions: 1) the size of the Bond issue will not exceed \$600,000; 2) the Bonds will be dated October 1, 2002; 3) the term of the bond issue will not exceed 11 years; 4) the net interest cost of the Bonds will not exceed 5.5%; and 5) the terms and provisions of the Bonds will be in compliance with this Resolution and the Act. The Mayor, Clerk and Bond Counsel are hereby authorized to solicit proposals for the sale of the Bonds and are directed to submit such proposals to the Governing Body at a subsequent meeting of the best bid subject to the compliance of such proposal with the conditions set forth in the preceding sentence. If Bonds are issued on or after November 1, 2002, the City may by further resolution of the Governing Body change the dated dates, interest payment dates and maturity dates provided final maturity shall in no event exceed 11 years from the revised dated date. The Bonds shall provide for interest at rates that do not exceed the maximum authorized under Mississippi law.

**SECTION 24.** The Mayor and Clerk and any other Authorized Officers of the Governing Body are authorized to execute and deliver such resolutions, certificates and other documents as are required for the sale, issuance and delivery of the Bonds.

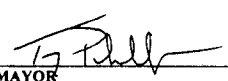
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**SECTION 25.** All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this Resolution shall become effective upon the adoption hereof.

Alderman Joe McMurry, Sr. seconded the motion to adopt the foregoing the question being put to a roll call vote, the result was as follows:

Alderman Willie Hinton	Voted: <u>Aye</u>
Alderman William A. Travis	Voted: <u>Aye</u>
Alderman Steve Stringer	Voted: <u>Aye</u>
Alderman Joe C. McMurry, Sr.	Voted: <u>Aye</u>
Alderman Michael W. Draughn	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 1st day of October, 2002.

  
\_\_\_\_\_  
MAYOR

ATTEST:  
  
\_\_\_\_\_  
CITY CLERK  
(SEAL)

EXHIBIT "C"

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