

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 JUNE 1, 2004 AT 7:00 P.M. IN THE BOARDROOM OF SAID CITY.

THOSE PRESENT	MAYOR TONY PHILLIPS
CITY ATTORNEY	DAPHNE LANCASTER
ALDERMEN	MICHAEL W DRAUGHN WILLIE W HINTON JOE C MCMURRY, SR STEVE STRINGER WILLIAM A TRAVIS
OTHERS PRESENT	JAY ESTES BETTY MILLER TOMMY/SHAROLD FREDRICK MICHELLE MITCHELL PAUL MCMURRY ERIC HARDING ANN CLARK DOUG KING TRUMAN ROBERTS AND MANY OTHERS

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

THE INVOCATION WAS OFFERED BY BRO. JIMMIE GARRARD.

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

- IX. GENERAL BUSINESS:
10. REQUEST TO INCREASE THE DANCE FEES FOR PROFIT HELD AT THE CIVIC CENTER
 11. REQUEST FOR VARIANCE ON DOLLAR GENERAL ON SETBACKS FOR WEST SIDE OF BUILDING
 12. REQUEST TO ADD TO PHONE POOL A CELL PHONE FOR STREET DEPARTMENT
- XI. ORDERS & ORDINANCES:
9. REQUEST TO ADOPT ORDINANCE ON GROUP HOME DEFINITION, CO, C-1, C-2, AND C-3.
 10. REQUEST TO ADOPT ORDINANCE ESTABLISHING DESIGN GUIDELINES WITHIN CITY OF PETAL FOR ZONING PURPOSES.

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 FOR THE REGULAR MEETING OF MAY 18, 2004 AND PUBLIC HEARING OF MAY 25, 2004.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF MAY 18, 2004 AND THE PUBLIC HEARING OF MAY 25, 2004 BE ACCEPTED AS WRITTEN. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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, BETTY MILLER ADDRESSED THE BOARD ABOUT THE FLOODING IN THE BUILDING AT 804 S MAIN STREET. SHE WOULD LIKE TO KNOW WHAT THE CITY IS GOING TO DO ABOUT THE DITCH RUNNING ALONG SIDE OF THE BUSINESS AND ABOUT THE FLOODING THAT TOOK PLACE THAT RUINED THE CARPET AND FLOORING IN THE BUILDING.

THEREUPON, MAYOR PHILLIPS STATED THAT HE HAS TALKED TO THE OWNER OF THE BUILDING, SONNY MASSENGALE, ABOUT THE SITUATION AND HAS FILED A CLAIM WITH THE CITY. STATED THAT SHE NEEDS TO TALK TO MR MASSENGALE AND LET HIM TELL HER WHAT HAS BEEN DONE ABOUT THE BUILDING.

THEREUPON, JASON RAHAIM, ADDRESSED THE BOARD ABOUT USING GRINDER PUMPS AT TRAILWOOD WEST SUBDIVISION.

WHEREAS, DOUG KING, CPA, PRESENTED THE CITY'S AUDIT REPORT FOR THE FISCAL YEAR 2002-2003.

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO TAKE UNDER ADVISEMENT. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, JAY ESTES ADDRESSED THE MAYOR AND BOARD OF ALDERMEN IN REFERENCE TO THE ASBURY YOUTH BUILDING. MR ESTES STATED THAT THE BUILDING WOULD BE A METAL BUILDING WITH A BRICK FRONT. THE EAST AND NORTH SIDE WILL BE FACING RESIDENTIAL PROPERTY AND THEY WILL BE PUTTING IN BUFFER ZONES TO COVER THE NEIGHBORS.

THEREUPON, MAYOR PHILLIPS STATED THAT THE BUILDING BE LOCATED ON R-1 ZONE THAT THE BUFFER ZONE DOES NOT EFFECT THIS BUILDING.

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

1. PUBLIC NOTICE-ZONING CHANGE- 5-R DEVELOPMENT
2. NOTICE TO BIDDERS-ASPHALT/ASPHALT OVERLAY IN PLACE
3. RESOLUTION FOR \$2.5 MILLION BOND

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 REQUEST FROM POLICE CHIEF LEE SHELBOURN TO FILL THE POSITION OF AN OFFICER DUE TO AN OFFICER ON MILITARY LEAVE.

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO AUTHORIZE CHIEF LEE SHELBOURN TO FILL THE POSITION OF THE OFFICER ON MILITARY LEAVE. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 REQUEST FROM JADE DANIELLE KEITH TO PURCHASE AN AD IN THE PRE-TEEN MS SCHOLARSHIP AND RECOGNITION PROGRAM.

DIES DUE TO LACK OF MOTION.

WHEREAS, MAYOR PHILIPS PRESENTED A REQUEST FROM JUDGE SHELIA SMALLWOOD TO REFUND RESTITUTION TO JOANNA SPICUZZA IN AMOUNT \$2,500.00.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO REFUND THE RESTITUTION TO JOANNA SPICUZZA IN THE AMOUNT OF \$2,500.00. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 REQUEST ON THE CELL PHONES THAT WAS PURCHASED FOR THE DEPARTMENT HEADS TO INCREASE THE AMOUNT BY \$3.00 THAT IS SPENT ON THE CALLS FOR THE CITY TO PAY.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO INCREASE THE CELL PHONE PAYMENT TO \$38.00 PER PHONE PER MONTH AND ANYTHING OVER THAT AMOUNT THE INDIVIDUAL USING THE PHONE WILL HAVE TO PAY THE BALANCE. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 CLAIMS #76590-76987 OF THE CITY OF PETAL GENERAL FUNDS AND THE CITY OF PETAL WATER AND SEWER FUNDS FOR THE MONTH OF MAY 2004.

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO PAY THE CLAIMS #76590-76987 FOR THE CITY OF PETAL GENERAL FUNDS AND THE CITY OF PETAL WATER AND SEWER FUNDS FOR THE MONTH OF MAY 2004. ALDERMAN STRINGER SECONDED THE MOTION.

ALDERMAN DRAUGHN APPROVES THE CLAIM DOCKET WITH THE EXCEPTION OF PAYING THE MAYOR AND CITY CLERK'S SALARIES.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 REQUEST FOR AN EXCEPTION ON GRACELYNN HEIGHTS SUBDIVISION.

X
THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO GRANT EXCEPTION TO ALLOW GRINDER PUMPS IN GRACELYNN HEIGHTS SUBDIVISION BUT TO DENY THE CONCRETE PIPES. 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"

ALDERMAN MICHAEL W DRAUGHN

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM DEBORAH REYNOLDS, FACILITATOR OF CIVIC CENTER, TO INCREASE THE FEES FOR DANCES FOR PROFIT HELD AT THE CIVIC CENTER.

SEE EXHIBIT "A"

FEE INCREASE

THEREUPON, ALDERMAN HINTON MADE A MOTION TO INCREASE THE FEES FOR DANCES HELD FOR PROFIT AT THE CIVIC CENTER. ALDERMAN TRAVIS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 REQUEST FOR AN EXCEPTION TO THE SETBACKS ON THE WESTSIDE OF 1229 HWY 42 FOR T & M STEEL DOLLAR GENERAL.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO GRANT THE EXCEPTION TO THE SETBACKS ON THE WESTSIDE OF BUILDING AT 1229 HWY 42 FOR T & M STEEL DOLLAR GENERAL. ALDERMAN TRAVIS SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 REQUEST FROM THE STREET SUPERVISOR, LARRY BYRD, TO CONTRACT FOR A CELL PHONE.

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO AUTHORIZE THE CITY TO CONTRACT UP TO \$38.00 PER MONTH AND ANYTHING OVER THAT AMOUNT, THE INDIVIDUAL USING THE PHONE WILL HAVE TO PAY THE BALANCE. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 MICHAEL RIGBY AS A FULL-TIME 1ST CLASS FIREFIGHTER IN THE FIRE DEPARTMENT.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A FULL-TIME FIREFIGHTER IN THE FIRE DEPARTMENT DUE TO THE OFFICERS THAT WAS CALLED TO MILITARY ACTIVE DUTY.

IT IS HEREBY ORDERED THAT MICHAEL RIGBY BE HIRED AS A 1ST CLASS FIREFIGHTER AT A RATE OF \$9.25 PER HOUR EFFECTIVE JUNE 9, 2004.

SO ORDERED ON THIS THE 1ST DAY OF JUNE, 2004.

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 GARY HARTFIELD AS A FULL-TIME 2ND CLASS FIREFIGHTER IN THE FIRE DEPARTMENT.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A FULL-TIME FIREFIGHTER IN THE FIRE DEPARTMENT DUE TO THE OFFICERS THAT WAS CALLED TO MILITARY ACTIVE DUTY.

IT IS HEREBY ORDERED THAT GARY HARTFIELD BE HIRED AS A 2ND CLASS FIREFIGHTER AT A RATE OF \$9.11 PER HOUR EFFECTIVE JUNE 9, 2004.

SO ORDERED ON THIS THE 1ST DAY OF JUNE, 2004.

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN HINTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 INCREASING SANDY WATTS PAY TO \$6.50 PER HOUR EFFECTIVE MAY 26, 2004.

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO INCREASE THE PAY OF SANDY WATTS.

IT IS HEREBY ORDERED THAT SANDY WATTS RATE OF PAY BE INCREASED TO \$6.50 PER HOUR EFFECTIVE MAY 26, 2004.

SO ORDERED ON THIS THE 1ST DAY OF JUNE, 2004.

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 INCREASING TIM WOODS PAY TO \$6.50 PER HOUR EFFECTIVE MAY 26, 2004.

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO INCREASE THE PAY OF TIM WOODS.

IT IS HEREBY ORDERED THAT TIM WOODS RATE OF PAY BE INCREASED TO \$6.50 PER HOUR EFFECTIVE MAY 26, 2004.

SO ORDERED ON THIS THE 1ST DAY OF JUNE, 2004.

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 REQUEST FROM JUDGE SHELIA SMALLWOOD TO INCREASE THE PAY OF SHAROLD FEDRICK, COURT CLERK TO \$25,150.00

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO INCREASE THE PAY OF SHAROLD FEDRICK \$25,150.00

MOTION DIED DUE TO LACK OF A SECOND.

WHEREAS, MAYOR PHILLIPS PRESENTED A REQUEST FROM JUDGE SHELIA SMALLWOOD TO INCREASE THE PAY OF MICHELLE MITCHELL, DEPUTY COURT CLERK TO \$19,500.00

THEREUPON, ALDERMAN DRAUGHN MADE A MOTION TO INCREASE THE PAY OF MICHELLE MITCHELL TO \$19,500.00

MOTION DIED DUE TO LACK OF A SECOND.

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING ORDER ON MOTOR VEHICLE ASSESSMENT SCHEDULE FOR THE FISCAL YEAR 2004-2005.

SEE EXHIBIT "B"

ORDER

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
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 ORDINANCE FOR ARTERIAL STREET LANDSCAPING.

SEE EXHIBIT "C"

ARTERIAL STREET LANDSCAPING

THEREUPON, ALDERMAN MCMURRY MADE A MOTION TO ADOPT THE FOREGOING ORDINANCE 2004(101). ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN JOE C MCMURRY, SR
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

ALDERMAN WILLIE W HINTON
ALDERMAN WILLIAM A TRAVIS

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING ORDINANCE ON DEFINITION OF GROUP HOME AND CO, C-1, C-2 AND C-3.

THEREUPON, ALDERMAN HINTON MADE A MOTION TO TAKE THE ORDINANCE UNDER ADVISEMENT. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

AT THIS TIME, ALDERMAN JOE MCMURRY LEFT THE ROOM.

WHEREAS, MAYOR PHILLIPS PRESENTED AN ORDINANCE ESTABLISHING DESIGN GUIDELINES WITHIN CITY OF PETAL FOR ZONING PURPOSES.

THEREUPON, ALDERMAN TRAVIS MADE A MOTION TO TAKE THE ORDINANCE UNDER ADVISEMENT. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING RESOLUTION ON THE \$2.5 MILLION GENERAL OBLIGATION BONDS.

SEE EXHIBIT "D"

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000.00) GENERAL OBLIGATION BONDS, SERIES 2004, OF THE CITY OF PETAL, MISSISSIPPI

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR PHILLIPS PRESENTED THE FOLLOWING RESOLUTION FOR THE ISSUANCE OF \$2.5 MILLION GENERAL OBLIGATION BONDS.

SEE EXHIBIT "E"

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2004, OF THE CITY OF PETAL, MISSISSIPPI IN THE PRINCIPAL AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) TO RAISE MONEY FOR THE PURPOSE OF ERECTING MUNICIPAL BUILDINGS AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; PURCHASING FIRE-FIGHTING EQUIPMENT AND APPARATUS, AND PROVIDING HOUSING FOR SAME, AND PURCHASING LAND THEREFOR; CONSTRUCTING, PREPARING, EQUIPPING AND ADORNING PARKS, PUBLIC PLAYGROUNDS, ATHLETIC FIELDS AND OTHER RECREATIONAL FACILITIES, AND PURCHASING LAND THEREFOR; REPAIRING, IMPROVING AND EXTENDING SANITARY, STORM, DRAINAGE OR SEWERAGE SYSTEMS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS, OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; AND REPAIRING, IMPROVING AND EXTENDING WATERWORKS, GAS, ELECTRIC AND OTHER PUBLIC UTILITY PLANTS OR DISTRIBUTION SYSTEMS OR FRANCHISES.

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN STEVE STRINGER

CITY OF PETAL
MINUTE BOOK 23

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ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN TRAVIS MADE A MOTION TO RECESS THE MEETING UNTIL 4:00 P.M. WEDNESDAY, JUNE 2, 2004. ALDERMAN DRAUGHN SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN MICHAEL W DRAUGHN
ALDERMAN WILLIE W HINTON
ALDERMAN STEVE STRINGER
ALDERMAN WILLIAM A TRAVIS

THOSE PRESENT AND VOTING "NAY"

NONE

THEREBEING NO FURTHER BUSINESS OF THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS RECESSED ON THIS THE 1ST DAY OF JUNE, AD, 2004 UNTIL 4:00 P.M. ON JUNE 2, 2004.



TONY PHILLIPS
MAYOR

(SEAL)

ATTEST:



JEAN SHEE
CITY CLERK

CITY OF PETAL
PETAL CIVIC CENTER BOOK 23
 712 SOUTH MAIN STREET
 PETAL, MS 39465
 PHONE 601/582-2672
EXHIBIT "A"
REGULAR FEES

AUDITORIUM			
RENTAL (4 HOUR MINIMUM)		\$	100.00
ADDITIONAL HOURS BEFORE 5:00 P.M.		\$	25.00 PER HOUR
ADDITIONAL HOURS AFTER 5:00 P.M.		\$	30.00 PER HOUR
SECURITY DEPOSIT		\$	50.00
CHARITY:			
RENTAL PER HOUR BEFORE 5:00 P.M.		\$	10.00 PER HOUR
ADDITIONAL HOURS AFTER 5:00 P.M.		\$	15.00 PER HOUR
REHEARSAL/PRACTICE		\$	10.00 PER HOUR
DANCES			
RENTAL (4 HOUR MINIMUM)		\$	150.00
RENTAL AFTER 4 HOURS		\$	40.00 PER HOUR
SECURITY	2 OFFICERS @	\$	18.00 EACH PER HOUR
SECURITY DEPOSIT		\$	100.00
DANCES FOR PROFIT / PARTIES			
RENTAL (4 HOUR MINIMUM)		\$	350.00
RENTAL AFTER 4 HOURS		\$	100.00 PER HOUR
SECURITY	2 OFFICERS @	\$	18.00 EACH PER HOUR
SECURITY DEPOSIT		\$	250.00
COMMON ROOM (BY LIBRARY) UP TO 35 PEOPLE			
RENTAL (4 HOUR MINIMUM)		\$	35.00
SECURITY DEPOSIT		\$	50.00
CLUBS PER MEETING		\$	10.00
MAGNOLIA ROOM UP TO 75 PEOPLE			
RENTAL (4 HOUR MINIMUM)		\$	50.00
ADDITIONAL HOURS BEFORE 5:00 P.M.		\$	15.00 PER HOUR
ADDITIONAL HOURS AFTER 5:00 P.M.		\$	25.00 PER HOUR
SECURITY DEPOSIT		\$	50.00
CLUBS PER MEETING		\$	10.00
KITCHEN FEE			
RENTAL FEE FOR EACH EVENT		\$	25.00
SET UP ALL			
ALL SET UPS		\$	25.00
TABLE CLOTHS			
RENTAL COST PER TABLE CLOTH		\$	11.00
NAPKINS			
RENTAL COST PER NAPKIN		\$	0.25
DINNERWARE			
RENTAL PER PLACE SETTING		\$	1.00

PETAL PAVILION RENTAL FEES

SUN - SAT	DEPOSIT	PER DAY	CLEAN UP FEE IF NEEDED
RENTAL FOR PAVILION ONLY	\$ 40.00	\$ 40.00	\$ 10.00
RENTAL WITH CIVIC CENTER RENTAL	\$ 25.00	\$ 25.00	\$ 10.00

40.00 DEPOSIT REFUNDABLE IF CLEANING NEEDED WILL BE DEDUCTED FROM DEPOSIT
 DEPOSIT WITH CIVIC CENTER DEPOSIT WILL BE PAID WITH THE CIVIC CENTER CONTRACT

SPECIAL FEES ON BACK

PETAL CIVIC CENTER
 712 SOUTH MAIN STREET
 PETAL, MS 39465
 PHONE 601/582-2672

SPECIAL FEES

WEDDING PACKAGE

AUDITORIUM & KITCHEN			
RENTAL INCLUDING 4 HOURS THE EVENING BEFORE AND ENTIRE DAY OF RECEPTION	\$		750.00
AUDITORIUM, MAGNOLIA ROOM & KITCHEN			
RENTAL INCLUDING 4 HOURS THE EVENING BEFORE AND ENTIRE DAY OF RECEPTION	\$		300.00

SCHOOL PROM

AUDITORIUM, MAGNOLIA ROOM & KITCHEN			
DEPOSIT REFUNDABLE IF BUILDING LEFT CLEAN	\$		100.00
RENTAL INCLUDING COMING IN AT 5:00 P.M. THE EVENING BEFORE AND THE ENTIRE DAY OF PROM	\$		350.00
SECURITY REQUIRED FOR TIME OF PROM ONLY	\$		18.00 PER HOUR

ALL ORGANIZATIONS AFFILIATED WITH THE PETAL SCHOOL

ALL EVENTS REQUIRING A CHARGE FOR ATTENDANCE INCLUDING FUNDRAISERS
 RENTAL WILL BE CHARGED PER THE REGULAR FEE CHART

ALL OTHER EVENTS
 DEPOSIT PER REGULAR FEE CHART
 RENTAL WILL BE 50% OF THE REGULAR FEE CHART

ADMINISTRATIVE FUNCTIONS			
DAYTIME PER EVENT	\$		10.00
SET UP / CLEAN UP FEE	\$		25.00
RENTAL AFTER 5:00 P.M.	\$		10.00
SET UP FEE/CLEAN UP CHARGE	\$		25.00

INVENTORY

CHAIRS			372
ROUND TABLES 6 FT			30
OBLONG TABLE 8 FT			10
OBLONG TABLE 8 FT			8
ROUND TABLECLOTHS 9 FT			29
OBLONG TABLECLOTHS 60 x 124			24
NAPKINS 17 x 17			204
NUMBER PLACE SETTINGS DINNERWARE AND FLATWARE			200

CITY OF PETAL
MINUTE BOOK 23
ORDER

EXHIBIT "B"

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, have received from the Mississippi State Tax Commission, a copy of the Motor Vehicle Assessment Schedule adopted by said Commission for the fiscal year 2004-2005.

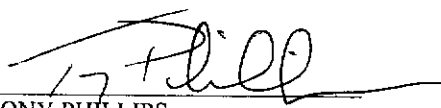
WHEREAS, the Mayor and Board of Aldermen of said City have examined and considered the aforesaid Assessment Schedule and desire to adopt the same for the Municipal Separate School District with added territory, in assessing and collecting ad valorem taxes on vehicles for the ensuing year

WHEREAS, the Mayor and Board of Aldermen also desire the County Tax Collector to collect the City of Petal's and the Petal Municipal Separate School District with added territory motor vehicle ad valorem taxes as stated in Section 27-51-29 of the Mississippi Code of 1972, as annotated and amended.

IT IS THEREFORE HEREBY ORDERED by the Mayor and Board of Aldermen of the City of Petal, Mississippi, that,

The Motor Vehicle Assessment Schedule for the fiscal year 2004-2005 adopted by the Mississippi State Tax Commission under the provisions of the Motor Vehicle Ad Valorem Tax Act of 1958, as amended by the laws of 1960, being Section 27-51-29 of the Mississippi Code of 1972, as annotated and amended, is hereby adopted as the Motor Vehicle Assessment Schedule for the City of Petal, Mississippi, and the Petal Municipal Separate School District with added territory, for the ensuing fiscal year.

SO ORDERED by the Mayor and Board of Aldermen of the City of Petal, Mississippi, on this the 15th day of June, A.D., 2004.


TONY PHILLIPS
MAYOR

(SEAL)

ATTEST:


JEAN ISHIEE
CITY CLERK

EXHIBIT "C"
CITY OF PETAL
ORDINANCE BOOK 3

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ORDINANCE NO. 2004 (101)

**AN ORDINANCE ESTABLISHING ARTERIAL STREET LANDSCAPING FOR
SUBDIVISIONS AND ARTERIAL STREET LANDSCAPING FOR
DEVELOPMENTS NOT INVOLVING THE SUBDIVISION OF LAND WITHIN
THE CITY OF PETAL, MISSISSIPPI**

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

SECTION 1. ARTERIAL STREET LANDSCAPING FOR SUBDIVISIONS:

Developers of all residential, commercial or industrial subdivisions shall provide a landscaped easement at least ten (10) feet in width consisting of grass, shrubs, and trees along all existing or proposed streets or highways designated as Principal Arterial or Minor Arterial on the adopted Thoroughfares Plan of the City of Petal. The spacing, sizes and specific types of landscaping material to be installed within this landscaped easement shall be shown on the preliminary plat for all proposed subdivisions. Subdividers shall refer to the standards adopted by the City of Petal regarding such required landscaping along arterial streets. A preliminary plat shall not be approved unless the developer's proposals for the landscaped strip are acceptable to the Mayor and Board of Aldermen. This requirement is intended to ensure consistent treatment along the traffic frontage, which is essential for appearance and permanency. At the time the final subdivision plat is submitted for ANY subdivision, the developer shall submit with his application for final plat approval a legal instrument or instruments which state that the responsibility for liability insurance, taxes and maintenance of the required landscaped easement shall rest with the developer, if he retains ownership of such areas, or with a homeowners association. Within Planned Unit Developments (see Article XII), this landscaped easement shall not be counted toward meeting the common open space requirements of the PUD. **NO FENCE SHALL BE ERECTED IN A MANNER WHICH BLOCKS ACCESS TO THIS REQUIRED LANDSCAPED EASEMENT.**

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**ARTERIAL STREET LANDSCAPING FOR DEVELOPMENTS NOT INVOLVING THE
SUBDIVISION OF LAND:**

Developers of all multiple family residential (apartments or condominiums) manufactured home parks, commercial, industrial or public/quasi-public uses not involving the subdivision of land shall provide a landscaped strip at least ten (10) feet in width consisting of grass, shrubs and trees along all existing or proposed streets or highways designated as Principal Arterial or Minor Arterial on the adopted Thoroughfares Plan of the City of Petal. The spacing, sizes and specific types of landscaping material to be installed within this landscaped easement shall be shown on the required site plan. Developers shall refer to the standards adopted by the City of Petal regarding such required landscaping along arterial streets. A site plan shall not be approved unless the developer's proposals for

CITY OF PETAL
MINUTE BOOK 23

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EXHIBIT "C"

the landscaped strip are acceptable to the Mayor and Board of Aldermen. This requirement is intended to insure consistent treatment along the traffic frontage, which is essential for appearance and permanency. Maintenance of this required landscaped strip shall be the responsibility of the property owners and not the City of Petal. Failure to maintain the landscaping in a satisfactory manner shall constitute a violation of this Ordinance and be subject to the penalties imposed herein. NO FENCE SHALL BE ERECTED IN A MANNER THAT BLOCKS ACCESS TO THIS REQUIRED LANDSCAPED EASEMENT.

SECTION 2. All ordinances in conflict herewith, be and the same are hereby repealed.

SECTION 3. This ordinance shall take effect and be in full force from and after its passage as provided by law.

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

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

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Alderman Michael W. Draughn
Alderman Joe C. McMurry, Sr.
Alderman Steve Stringer

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

Alderman Willie W. Hinton
Alderman William A. Travis


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

Alderman Michael W. Draughn
Alderman Joe C. McMurry, Sr.
Alderman Steve Stringer

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

Alderman Willie W. Hinton
Alderman William A. Travis

WHEREUPON, the foregoing Ordinance be, and the same is hereby passed, adopted and approved on this the 1st day of June 2004.


TONY PHILLIPS, MAYOR

(SEAL)

ATTEST:


JEAN ISHEE, CITY CLERK

PUBLISH 1 TIME: JUNE 23, 2004.

EXHIBIT "D"

RESOLUTION

The Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of the City of Petal, Mississippi, took up for further consideration the matter of the issuance of General Obligation Bonds, Series 2004, of the City of Petal, Mississippi, in the principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000). After discussion of the subject, Alderman Hinton offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) GENERAL OBLIGATION BONDS, SERIES 2004, OF THE CITY OF PETAL, MISSISSIPPI.

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, acting for and on behalf of the City of Petal, Mississippi, are receiving bids until the hour of 4:00 o'clock p.m. on June 24, 2004, for the sale of Two Million Five Hundred Thousand Dollars (\$2,500,000) General Obligation Bonds, Series 2004 (the "Bonds"), of the City of Petal, Mississippi, date July 1, 2004; and

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

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

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

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

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

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

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

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

Following the reading of the foregoing resolution, Alderman Stringer seconded the motion for its adoption and the question being put to a roll call vote, and 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>ABSENT</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 June, 2004.


MAYOR

ATTEST:


CITY CLERK

(SEAL)

EXHIBIT "E"

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2004, OF THE CITY OF PETAL, MISSISSIPPI IN THE PRINCIPAL AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) TO RAISE MONEY FOR THE PURPOSE OF ERECTING MUNICIPAL BUILDINGS AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; PURCHASING FIRE-FIGHTING EQUIPMENT AND APPARATUS, AND PROVIDING HOUSING FOR SAME, AND PURCHASING LAND THEREFOR; CONSTRUCTING, PREPARING, EQUIPPING AND ADORNING PARKS, PUBLIC PLAYGROUNDS, ATHLETIC FIELDS AND OTHER RECREATIONAL FACILITIES, AND PURCHASING LAND THEREFOR; REPAIRING, IMPROVING AND EXTENDING SANITARY, STORM, DRAINAGE OR SEWERAGE SYSTEMS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; AND REPAIRING, IMPROVING AND EXTENDING WATERWORKS, GAS, ELECTRIC AND OTHER PUBLIC UTILITY PLANTS OR DISTRIBUTION SYSTEMS OR FRANCHISES.

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

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

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

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy by or against the City under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

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

"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 \$2,500,000 General Obligation Bonds, Series 2004, of the City authorized and directed to be issued in this resolution.

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

"Bond Resolution" shall mean this resolution.

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

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

"Financial Advisor" shall mean Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi.

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

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

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

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

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

"Project" shall mean erecting municipal buildings and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; constructing, preparing, equipping and adorning parks, public playgrounds, athletic fields and other recreational facilities, and purchasing land therefor; repairing, improving and extending sanitary, storm, drainage or sewerage systems; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and repairing, improving and extending waterworks, gas, electric and other public utility plants or distribution systems or franchises.

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

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

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

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

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

"2004 Bond Fund" shall mean the City of Petal, Mississippi, General Obligation Bonds, Series 2004, 2004 Bond Fund provided for in Section 12 hereof.

"2004 Construction Fund" shall mean the City of Petal, Mississippi, General Obligation Bonds, Series 2004, 2004 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.

EXHIBIT "E"

2. Heretofore, on the 6th day of April, 2004, the Governing Body adopted a Resolution entitled "RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI (THE "CITY"), TO ISSUE GENERAL OBLIGATION BONDS, SERIES 2004, OF SAID CITY IN THE MAXIMUM PRINCIPAL AMOUNT OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) TO RAISE MONEY FOR THE PURPOSE OF ERECTING MUNICIPAL BUILDINGS AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; PURCHASING FIRE-FIGHTING EQUIPMENT AND APPARATUS, AND PROVIDING HOUSING FOR SAME, AND PURCHASING LAND THEREFOR; CONSTRUCTING, PREPARING, EQUIPPING AND ADORNING PARKS, PUBLIC PLAYGROUNDS, ATHLETIC FIELDS AND OTHER RECREATIONAL FACILITIES, AND PURCHASING LAND THEREFOR; REPAIRING, IMPROVING AND EXTENDING SANITARY, STORM, DRAINAGE OR SEWERAGE SYSTEMS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; AND REPAIRING, IMPROVING AND EXTENDING WATERWORKS, GAS, ELECTRIC AND OTHER PUBLIC UTILITY PLANTS OR DISTRIBUTION SYSTEMS OR FRANCHISES; AND DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION" wherein the Governing Body found, determined and

adjudicated that it is necessary that bonds of the City be issued in the amount, for the purpose and secured as aforesaid, declared its intention to issue said bonds, and fixed 5:00 o'clock p.m. on May 18, 2004, as the date and hour on which it proposed to direct the issuance of said bonds, on or prior to which date and hour any protests to be made against the issuance of such bonds were required to be filed.

3. As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in *The Times Petal and Advertiser News*, a newspaper published in and of general circulation in the City, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days prior to May 18, 2004, and the last publication having been made not more than seven (7) days prior to such date, said notice having been published in said newspaper on April 22 and 29 and May 6 and 13, 2004, as evidenced by the publisher's affidavit heretofore presented and filed.

4. On or prior to 5:00 o'clock p.m. on May 18, 2004, no written protest against the issuance of the bonds described in the aforesaid resolution had been filed or presented by qualified electors of the City.

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

6. On the 1st day of June, 2004, the Governing Body adopted a resolution entitled:

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF TWO MILLION FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) GENERAL OBLIGATION BONDS, SERIES 2004, OF THE CITY OF PETAL, MISSISSIPPI.

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

7. The assessed value of taxable property within the City, according to the last completed assessment for taxation, is Forty Five Million Nine Hundred Two Thousand Three Hundred Ninety Eight Dollars (\$45,902,398); the City has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended, in the amount of One Million Eighty Five Thousand Dollars (\$1,085,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of One Million Eighty Five Thousand Dollars (\$1,085,000); the issuance of the Bonds, when added to the outstanding bonded indebtedness of the City, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the City, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the City, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City.

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

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

SECTION 1. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City for the benefit of the Registered Owners shall be for the equal benefit, protection and

EXHIBIT "E"

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 of Two Million Five Hundred Thousand Dollars (\$2,500,000) to raise money for the Project as authorized by the Act.

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

(b) The Bonds shall be registered as to both principal and interest; shall be dated July 1, 2004; 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 January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2005; and shall mature and become due and payable on July 1 in the years and in the principal amounts as follows:

YEAR	AMOUNT
2005	\$75,000
2006	80,000
2007	85,000
2008	90,000
2009	90,000
2010	100,000
2011	100,000
2012	105,000
2013	110,000
2014	120,000
2015	125,000
2016	130,000
2017	135,000
2018	145,000
2019	150,000
2020	155,000
2021	165,000
2022	175,000
2023	180,000
2024	185,000

(c) Bonds maturing on July 1, 2015 and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on July 1, 2014, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

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

(e) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State of Mississippi, (i) 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"), (ii) certificates of deposit or municipal obligations fully secured by Government Obligations or (iii) 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, (iv) State and Local Government Series ("SLGS") Securities, and (v) 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.

EXHIBIT "E"

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT "E"

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

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

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

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

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

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

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

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF PETAL, MISSISSIPPI

GENERAL OBLIGATION BOND

SERIES 2004

NO. _____ \$ _____

Rate of Interest Maturity Date of Original Issue CUSIP

July 1, 2014

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Petal, Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of _____, or its successor, as paying agent (the "Paying Agent") for the General Obligation Bonds, Series 2004, 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 January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2005, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be 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 Two Million Five Hundred Thousand Dollars (\$2,500,000) to raise money for the purpose of erecting municipal buildings and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; constructing, preparing, equipping and adorning parks, public playgrounds, athletic fields and other recreational facilities, and purchasing land therefor, repairing, improving and extending sanitary, storm, drainage or sewerage systems; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and repairing, improving and extending waterworks, gas, electric and other public utility plants or distribution systems or franchises.

CITY OF PETAL
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EXHIBIT "E"

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 et seq., Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including a resolution adopted June 1, 2004 (the "Bond Resolution").

Bonds maturing on July 1, 2015 and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on July 1, 2014, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. 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 an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

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

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

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the 1st day of July, 2004.

CITY OF PETAL, MISSISSIPPI

BY: _____
Mayor

COUNTERSIGNED:

City Clerk

(facsimile seal)

EXHIBIT "E"

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

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

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

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

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

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

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

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF PETAL, MISSISSIPPI

GENERAL OBLIGATION BOND

SERIES 2004

NO. _____ \$ _____

Rate of Interest Maturity Date of Original Issue CUSIP

July 1, 2004

Registered Owner:

Principal Amount: DOLLARS

The City of Petal, Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of _____, or its successor, as paying agent (the "Paying Agent") for the General Obligation Bonds, Series 2004, 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 January 1 and July 1 of each year (each an "Interest Payment Date"), commencing July 1, 2005, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be 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 Two Million Five Hundred Thousand Dollars (\$2,500,000) to raise money for the purpose of erecting municipal buildings and purchasing (buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; constructing, preparing, equipping and adorning parks, public playgrounds, athletic fields and other recreational facilities, and purchasing land therefor; repairing, improving and extending sanitary, storm, drainage or sewerage systems; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and repairing, improving and extending waterworks, gas, electric and other public utility plants or distribution systems or franchises.

EXHIBIT "E"

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

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Bonds, Series 2004, 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 _____, 2004.

(facsimile)

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.

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.

Signatures guaranteed:

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

(Authorized Officer)

Date of Assignment: _____

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

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

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

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

EXHIBIT "E"

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

(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.

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

SECTION 12. (a) The City hereby establishes the 2004 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 2004 Bond Fund as and when received:

- (i) The accrued interest and premium, if any, received upon delivery of the Bonds;
- (ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 8 hereof;
- (iii) Any income received from investment of monies in the 2004 Bond Fund; and
- (iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2004 Bond Fund.

(b) As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2004 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 2004 Construction Fund which shall be maintained with a qualified depository. The principal proceeds received upon the sale of the Bonds shall be deposited in the 2004 Construction Fund. Any income received from investment of monies in the 2004 Construction Fund shall be deposited in the 2004 Construction Fund or the 2004 Bond Fund for the payment of debt service on the Bonds during the construction period for the Project. From the 2004 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 balance thereof shall be held and disbursed for the Project, as authorized by the Act. Any amounts which remain in the 2004 Construction Fund after the completion of the Project shall be transferred to the 2004 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.

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EXHIBIT "E"

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

SECTION 17. The City represents as follows:

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

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

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

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

SECTION 18. In accordance with Section 148(f)(4)(D) (the "Small Issuer Exception" requirement) of the Code, the City represents that: (i) it is a governmental unit of the State of Mississippi and is empowered to exercise general taxing powers; (ii) the Bonds are not "private activity bonds" as defined in Section 141 of the Code; (iii) ninety-five percent (95%) or more of the net proceeds of the Bonds are to be used for local governmental activities of the City; and (iv) the aggregate face amount of all tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code and certain current refunding bonds described in Section 148(f)(4)(D) of the Code) issued by the City during calendar year 2004 is not reasonably expected to exceed \$5,000,000.

SECTION 19. In the event that the aggregate principal amount of the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code and certain current refunding bonds described in Section 148(f)(4)(D) of the Code) issued by, or on behalf of, the City during calendar year 2004 exceeds \$5,000,000, or if the City otherwise fails to meet the Small Issuer Exception, the City hereby covenants that it shall make, or cause to be made, the rebate payments required by Section 148(f) of the Code in the manner described in Regulation of §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds.

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

(a) the City reasonably anticipates that the amount of tax-exempt obligations to be issued by it during the period from January 1, 2004, to December 31, 2004, and the amount of obligations designated as "qualified tax-exempt obligations" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds; and

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

SECTION 21. The Bonds shall be offered for sale on sealed bids at a meeting of the Governing Body to be held at the place, and on the date and at the hour specified and upon the terms and conditions set out in the Notice in Section 23 hereof. On or before said date and hour, such sealed bids must be filed with the Clerk at the place specified in the Notice. The Governing Body reserves the right to reject any and all bids submitted, and if all bids are rejected, to sell the Bonds at a private sale at any time within sixty (60) days after the date advertised for the receipt

of bids, at a price not less than the highest bid which shall have been received at the advertised sale.

SECTION 22. On November 10, 1994, the Securities and Exchange Commission (the "Commission") amended Rule 15c2-12 (as amended, "Rule 15c2-12"), which was originally adopted by the Commission in 1989 under the Securities Exchange Act of 1934 and set forth certain disclosure requirements relating to a primary offering of municipal securities. The amendments to Rule 15c2-12, which are effective beginning July 3, 1995, add to the existing disclosure obligations relating to municipal securities by requiring that, prior to purchasing or selling municipal securities, brokers, dealers and municipal securities dealers must reasonably determine that the issuer of such municipal securities, together with any other "obligated persons" within the meaning of Rule 15c2-12, have entered into an undertaking for the benefit of bondholders to make certain information available to bondholders on a continuing basis. The City is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

While Bond Counsel has determined that the City is not required to comply with the continuing disclosure requirements of Rule 15c2-12, the City hereby covenants that pursuant to the Small Issuer Exemption under Rule 15c2-12, of the Securities and Exchange Commission, the City will deliver or cause to be delivered, commencing with the fiscal year of the City ending after January 1, 2004, (i) to each person requesting same, financial information and operating data relating to the City, including audited financial statements of the City, and (ii) to the "nationally recognized municipal securities information repository," within the meaning of Rule 15c2-12, and certain other entities described in Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), notice of any material events relating to the Bonds and the City, if the City deems such events to be material as set forth under Rule 15c2-12. If applicable, anyone requesting information under the continuing disclosure requirements of Rule 15c2-12, as amended, should contact the City Clerk, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465 Telephone Number: (601) 545-1776.

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

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EXHIBIT "E"

NOTICE OF BOND SALE

\$2,500,000

GENERAL OBLIGATION BONDS

SERIES 2004

OF THE

CITY OF PETAL, MISSISSIPPI

Sealed proposals will be received by the Mayor and Board of Aldermen of the City of Petal, Mississippi (the "Governing Body" of the "City"), in its meeting place in the City Hall of the City until the hour of 4:00 o'clock p.m. on the 24th day of June, 2004, at which time said bids will be publicly opened and read, for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of Two Million Five Hundred Thousand Dollars (\$2,500,000) principal amount General Obligation Bonds, Series 2004, of the City (the "Bonds").

The Bonds will be dated July 1, 2004, will be delivered in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity, will be numbered from one upward; will be issued in fully registered form; and will bear interest from the date thereof at the rate or rates offered by the successful bidder in its bid, payable on January 1 and July 1 in each year (each an "Interest Payment Date"), commencing July 1, 2005. The Bonds will mature serially on July 1 in each year and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2005	\$75,000
2006	80,000
2007	85,000
2008	90,000
2009	90,000
2010	100,000
2011	100,000
2012	105,000
2013	110,000
2014	120,000
2015	125,000
2016	130,000
2017	135,000
2018	145,000
2019	150,000
2020	155,000
2021	165,000
2022	175,000
2023	180,000
2024	185,000

Bonds maturing on July 1, 2015, and thereafter, are subject to redemption prior to their stated dates of maturity, either in whole or in part, in inverse order of maturity and by lot within a maturity on July 1, 2014, or on any Interest Payment Date thereafter, at par, plus accrued interest to the date of redemption.

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

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

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

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

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

The Bonds are being issued for the purpose of providing funds for erecting municipal buildings and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; constructing, preparing, equipping and adorning parks, public playgrounds, athletic fields and other recreational facilities, and purchasing land therefor; repairing, improving and extending sanitary, storm, drainage or sewerage systems; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and repairing, improving and extending waterworks, gas, electric and other public utility plants or distribution systems or franchises.

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

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

Proposals should be addressed to the Mayor and Board of Aldermen and should be plainly marked "Proposal for General Obligation Bonds, Series 2004, of the City of Petal, Mississippi," and should be filed with the Clerk of the City on or prior to the date and hour hereinabove named.

Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the City of Petal, Mississippi, in the amount of Fifty Thousand Dollars (\$50,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the City as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. All proposals shall remain firm for three hours after the time specified for the opening of proposals and an award of the Bonds, or rejection of proposals, will be made by the City within said period of time.

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

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

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

Delivery of the Bonds is expected to be made within sixty (60) days after the aforesaid date of sale of the Bonds at a place to be designated by the purchaser and without cost to the purchaser. Simultaneously with the delivery of the Bonds, the purchaser shall furnish to the City a certificate, in form acceptable to Bond Counsel, stating that: (i) it purchased the Bonds as an investment for its own account and not with a view toward distribution or resale in the capacity of a bond house, broker, or intermediary; or (ii) pursuant to a bona fide public offering of all of the Bonds, it sold a substantial amount (ten percent (10%), or more, in par amount) of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at or below the initial public offering prices set forth in such certificate. The purchaser shall also furnish a certificate, in form acceptable to Bond Counsel, setting forth the yield on the Bonds and issue price thereof, calculated in accordance with the requirements of the Code.

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

The City has covenanted in its Bond Resolution that if SEC Rule 15c2-12 is determined to be applicable to the Bonds, that pursuant to the Small Issuer Exemption under SEC Rule 15c2-12, as amended, the City will deliver or cause to be delivered, commencing with the fiscal year of the City ending after January 1, 2004, (i) to each person requesting same, financial information relating to the City, including audited financial statements of the City, and (ii) to the "nationally recognized municipal securities information repository," within the meaning of SEC Rule 15c2-12, and certain other entities described in SEC Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), notice of any material events relating to the Bonds and the City, if the City deems such events to be material as set forth under SEC Rule 15c2-12. If applicable, anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 119 W. 8th Avenue, Petal, Mississippi 39465 Telephone Number: (601) 545-1776.

The Preliminary Official Statement, dated June 1, 2004, has been "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the "Official Statement"). The City will make available to the successful bidder a reasonable number of Official Statements within

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seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The successful bidder shall conform to the requirements of Securities Exchange Act 15c2-12 ("SEC Rule 15c2-12"), including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date (which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the successful bidder if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

For additional information concerning the sale and issuance of the Bonds, please contact the City Clerk or Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi, Financial Advisor to the City.

By order of the Mayor and Board of Aldermen of the City of Petal, Mississippi, on June 1, 2004.


CITY CLERK

PUBLISH: June 10 and 17, 2004

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

SECTION 25. Each of the following constitutes an event of default under this Bond Resolution.

- (a) failure by the City to pay any installment of principal of or interest on any Bond at the time required;
- (b) failure by the City to perform or observe any other covenant, agreement or condition on its part contained in this Bond Resolution or in the Bonds, and the continuance thereof for a period of thirty (30) days after written notice thereof to the City by the Registered Owners of not less than ten percent (10%) in principal amount of the then outstanding Bonds; or
- (c) an Act of Bankruptcy occurs.

SECTION 26. 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.

SECTION 27. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this Bond Resolution shall become effective upon the adoption hereof.

The foregoing Bond Resolution was proposed in a motion by Alderman Hinton, seconded by Alderman Stringer, and was brought to a vote 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>ABSENT</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 June, 2004.


MAYOR

ATTEST:


CITY CLERK

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