

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 SEPTEMBER 20, 2005 AT 7:00 P.M. IN THE BOARDROOM OF SAID CITY.

THOSE PRESENT	MAYOR CARL SCOTT
CITY ATTORNEY	THOMAS W TYNER
ALDERMEN	DAVID CLAYTON KAY FAIRLEY JAMES MOORE STEVE STRINGER LIESA WEAVER
OTHERS PRESENT	KEN TEMPLE NETTIE FARRIS JAN MOORE PARKER CHAPMAN CYNTHIA HOLLAND JERRY CROWE SUE POLK AND MANY OTHERS

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

THE INVOCATION WAS OFFERED BY ALDERMAN KAY FAIRLEY.

WHEREAS, MAYOR SCOTT PRESENTED THE AGENDA WITH THE FOLLOWING AMENDMENTS:

- IX. GENERAL BUSINESS
 - 2. OMIT
 - 4. OMIT
 - 17. REQUEST TO ACCEPT RIGHT OF ENTRY TO PRIVATE PROPERTY FOR DEBRIS REMOVAL.
- XI. ORDERS & ORDINANCES
 - 3. OMIT
 - 5. REQUEST TO HIRE ANDY DAVIS AS 4TH CLASS POLICE OFFICER. (CHIEF SHELBOURN)
 - 6. REQUEST TO RESCIND ORDER HIRING DONALD STANLEY. (LARRY BYRD)

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING AMENDMENTS. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 6, 2005, SPECIAL MEETING OF SEPTEMBER 8, 2005, AND RECESSED MEETING OF SEPTEMBER 15, 2005.

THEREUPON, ALDERMAN CLAYTON MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF SEPTEMBER 6, 2005, SPECIAL MEETING OF SEPTEMBER 8, 2005 AND RECESSED MEETING OF SEPTEMBER 15, 2005 BE ADOPTED AS WRITTEN. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

THE HOUR OF 7:00 P.M. HAVING ARRIVED THE MAYOR AND BOARD OF ALDERMEN PROCEEDED TO PUBLICLY OPEN AND READ THE SEALED BIDS FOR FERNCREST LOOP.

THEREUPON, THERE WERE NO BIDS DELIVERED.

WHEREAS, MAYOR SCOTT PRESENTED A CONTRACT WITH NEXTEL COMMUNICATIONS TO USE AS CELL PHONE SERVICES FOR THE DEPARTMENT HEADS AND THE CITY PAY UP TO \$40.00 PER PHONE.

SEE EXHIBIT "A"

NEXTEL CONTRACT

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION FOR THE MAYOR TO EXECUTE THE CONTRACT WITH NEXTEL COMMUNICATIONS FOR CELL PHONE SERVICE. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FROM POLICE CHIEF LEE SHELBOURN TO ADVERTISE FOR THE POSITION OF ANIMAL WARDEN.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE CHIEF SHELBOURN TO ADVERTISE FOR THE POSITION OF ANIMAL WARDEN FOR THE POLICE DEPARTMENT. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING PROOFS OF PUBLICATIONS:

- A. ORDINANCE 1979(18A-3)
- B. ORDINANCE 1975(23A-1)
- C. ORDINANCE 1979(42A-3)
- D. ORDINANCE 1975(21-1)
- E. ORDINANCE 1979(45-1)
- F. ORDINANCE 1975(20-1)
- G. ORDINANCE 1981(53-1)
- H. ORDINANCE 1979(42A-170)
- I. ORDINANCE 1979 (42A-169)
- J. ORDINANCE 1979(42A-3)
- K. ORDINANCE 1975(18-1)
- L. ORDINANCE 1979(42A-168)

THEREUPON, ALDERMAN STRINGER MADE A MOTION THAT THE FOREGOING BE ACCEPTED AND FILED. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF AUGUST 2005.

THEREUPON, ALDERMAN CLAYTON MADE A MOTION TO ACCEPT THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF AUGUST 2005. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST TO ACCEPT THE REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF AUGUST 2005.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT THE REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF AUGUST 2005. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FROM THE PLANNING COMMISSION TO REMOVE KENNY MOORE DUE TO LACK OF ATTENDANCE.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT THE RECOMMENDATION OF THE PLANNING COMMISSION TO REPLACE KENNY MOORE DUE TO LACK OF ATTENDANCE. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE RECOMMENDATION OF THE PLANNING COMMISSION TO REZONE PROPERTY LOCATED AT 602 HWY 42 FROM R-1 TO C-2.

DIED DUE TO LACK OF MOTION.

WHEREAS, MAYOR SCOTT PRESENTED THE RECOMMENDATION OF THE PLANNING COMMISSION TO REZONE PROPERTY LOCATED AT 606 HWY 42 FROM R-1 TO C-2.

THEREUPON, ALDERMAN MOORE MADE A MOTION JUST FOR THE PURPOSE OF A DISCUSSION.

DIED DUE TO LACK OF A SECONDED.

WHEREAS, MAYOR SCOTT PRESENTED INVOICE #281 FROM GRIFFIN ARCHITECTURE IN AMOUNT OF \$874.50 FOR DESIGN SERVICES ON FIRE STATION #3.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY INVOICE #281 IN AMOUNT OF \$874.50 FROM GRIFFIN ARCHITECTURE FOR SERVICES ON FIRE STATION #3. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED ESTIMATE #3 FROM JAY-VAN COMPANY IN AMOUNT OF \$58,149.00 FOR CONSTRUCTION OF FIRE STATION #3.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY ESTIMATE #3 FROM JAY-VAN COMPANY IN AMOUNT OF \$58,149.00 FOR CONSTRUCTION OF FIRE STATION #3. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING AGREEMENT TO LEASE-PURCHASE WITH FIRST CONTINENTAL LEASING.

SEE EXHIBIT "B"

LEASE-AGREEMENT

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ACCEPT THE LEASE-PURCHASE AGREEMENT WITH FIRST CONTINENTAL LEASING. ALDERMAN CLAYTON SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING ORDINANCE CHARGING \$20.00 ROOFING PERMIT FEE.

SEE EXHIBIT "C"

ORDINANCE 2005(2)

AN ORDINANCE RQUIRING THE ISSUANCE OF PERMITS FOR ROOFING
WORK WITHIN THE CITY OF PETAL, MISSISSIPPI, ESTABLISHING
PENALTIES FOR VIOLATION OF THE ORDINANCE,
ESTABLISHING AN EFFECTIVE DATE, AND FOR
RELATED PURPOSES

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ADOPT THE FOREGOING
ORDINANCE. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST TO ACCEPT THE RIGHT OF
ENTRY TO PRIVATE PROPEY FOR DEBRIS REMOVAL FROM THE
DEPARTMENT OF HOMELAND SECURITY.

SEE EXHIBIT "D"

LETTER
DEBRIS REMOVAL FROM PRIVATE PROPERTY

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT RIGHT OF
ENTRY TO PRIVATE PROPERTY FOR DEBRIS REMOVAL FROM THE DEPARTMENT OF
HOMELAND SECURITY.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FROM FIRE CHIEF RICHARD
BRYANT FOR FIREFIGHTER MICHEAL PALMER TO ATTEND THE MISSISSIPPI STATE FIRE
ACADEMY ON OCTOBER 13, 2005 IN JACKSON, MS TO PARTICIPATE IN THE FIREFIGHTER
CANDIDATE TEST.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE
FIREFIGHTER MICHAEL PALMER TO ATTEND THE MISSISSIPPI STATE FIRE ACADEMY
OCTOBER 13, 2005 IN JACKSON, MS FOR PARTICIPATION IN FIREFIGHTER CANDIDATE
TEST. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING ORDER TRANSFERRING MICHEAL PALMER FROM POLICE DEPARTMENT TO THE FIRE DEPARTMENT.

SEE EXHIBIT "E"

ORDER

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING ORDER HIRING BRYAN CRAVEN AS MAINTENANCE TECHNICAL.

SEE EXHIBIT "F"

ORDER

THEREUPON, ALDERMAN CLAYTON MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING ORDER HIRING JUSTIN BELIVEAU IN THE FIRE DEPARTMENT.

SEE EXHIBIT "G"

ORDER

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

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING ORDER HIRING ANDY DAVIS IN THE POLICE DEPARTMENT.

SEE EXHIBIT "H"

ORDER

THEREUPON, ALDERMAN CLAYTON MADE A MOTION TO ADOPT THE FOREGOING ORDER. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FROM STREET SUPERVISOR LARRY BYRD TO RESCIND THE ORDER HIRING DONALD STANLEY.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE RECOMMENDATION OF STREET SUPERVISOR LARRY BYRD TO RESCIND THE ORDER HIRING DONALD STANLEY IN THE STREET DEPARTMENT. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF AN EQUIPMENT LEASE-PURCHASE.

SEE EXHIBIT "I"

RESOLUTION

RESOLUTION AUTHORIZING AND APPROVING EXECUTION
OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH
FIRST CONTINENTAL LEASING, A DIVISION OF BANCORPSOUTH
BANK FOR THE PURPOSE OF LEASE-PURCHASING CERTAIN
EQUIPMENT

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO ADOPT THE FOREGOING RESOLUTION. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

NONE

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADJOURN. ALDERMAN FAIRLEY SECONDED THE MOTION.

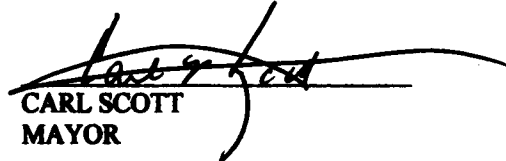
THOSE PRESENT AND VOTING "AYE"

ALDERMAN DAVID CLAYTON
ALDERMAN KAY FAIRLEY
ALDERMAN JAMES MOORE
ALDERMAN STEVE STRINGER
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"


NONE

THEREBEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE MAYOR
AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON
THIS THE 20TH DAY OF SEPTEMBER, 2005.


CARL SCOTT
MAYOR

(SEAL)

ATTEST:


JEAN ISHEE
CITY CLERK

EQUIPMENT LEASE-PURCHASE AGREEMENT

This Equipment Lease-Purchase Agreement (the "Agreement") dated as of October 3, 2003 is entered into between First Continental Leasing, a division of BancorpSouth Bank (the "Lessor"), whose Principal Office (herein so called) is located at Hattiesburg, Mississippi and City of Petal, Mississippi, (the "Lessee"), acting by and through, the Governing Body of the Lessee.

EXHIBIT "B"

for each fiscal year during the term of this Agreement all rent payments due hereunder and to do all other things necessary and lawfully within its power to have such portion of the budget approved to obtain and provide for funds to pay its obligations due hereunder. In the event that such portion of the budget that provides for rent payments due under this Agreement is not approved, the Lessee agrees, at its expense, to exhaust all available reviews and appeals to have the rent payments reinstated and approved in the budget. It is Lessee's intent to make rental payments for the full term of this Agreement if funds are legally available therefor and in that regard Lessee represents that the use of the Equipment is essential to its proper efficient and economic operation.

1. **Agreement to Lease.** In consideration of the rental provided herein, and the other covenants contained herein, Lessor hereby agrees to lease and rent to Lessee, and Lessee hereby agrees to lease and rent from Lessor, all the machinery, equipment and other personal property ("Equipment") described in Equipment Lease Schedule(s) ("Equipment Schedules") now or hereafter executed by Lessor and Lessee and attached hereto and incorporated herein by reference as Exhibit B upon the terms and conditions set forth in this Agreement, as supplemented by the terms and conditions set forth in the appropriate Equipment Schedule identifying such item of Equipment and such other Equipment Schedules as may be executed by Lessor and Lessee and attached hereto and incorporated herein by reference.

(b) In the event no funds or insufficient funds are appropriated or otherwise available by any means whatsoever in any fiscal year for rental payments due under this Agreement, then the Lessee shall immediately notify Lessor or its assignee of such occurrence and this Agreement shall create no further obligation of Lessee as to such fiscal year and shall be null and void, except as to the portions of rental payments for which funds shall have been appropriated and budgeted. In such event, this Agreement shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee of any kind whatsoever. Subsequent to such termination of this Agreement, Lessee shall have no continuing obligation to make rental payments under this Agreement. No right of action or damages shall accrue to the benefit of Lessor, or its assignee, as to that portion of this Agreement which may so terminate except as specifically provided in the last paragraph of this Paragraph. In the event of such termination, Lessee agrees to peacefully surrender possession of the Equipment to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor shall have all legal and equitable rights and remedies to take possession of the Equipment, and

2. **Lease Term.** The obligations of Lessor and Lessee under this Agreement will commence upon the execution hereof by Lessor and Lessee and will end upon the full performance and observance of each and every term, condition, and covenant contained herein, each Schedule hereto and any extensions thereof. The rental term of the Equipment listed in each Equipment Schedule shall commence on the date that the rental payment is due as provided in the Equipment Schedule and shall terminate on the last day of the term stated in such Equipment Schedule. This Agreement shall be automatically renewed on a year-to-year basis except as provided for in Paragraph 4.

(c) Notwithstanding the foregoing, Lessee agrees

(i) that it will not cancel this Agreement under the provisions of subparagraph (b) above if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment.

3. **Rental Payments.** The rent for the Equipment described in each Equipment Schedule shall be the total sum stated on such Equipment Schedule, in installments, and shall be due and payable on the dates set forth therein. A portion of each such rental payment is paid as, and represents a payment of interest and each Equipment Schedule sets forth the applicable interest rate and interest component of each rental payment; provided however such interest component is subject to change as provided in Paragraph 12 hereof. Such rent shall be payable from legally available funds of the Lessee in lawful money of the United States, without notice or demand, at the Principal Office of the Lessor or its assigns (or at such other place as Lessor may from time to time designate in writing). The receipt of any check or other item on account of any rental payment will not be considered as payment thereof until such check or other item is honored when presented for payment. All rental payments shall be made by the Lessee without abatement, setoff, or deduction of any amounts whatsoever. The obligations of Lessee to pay rent hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of an indebtedness by Lessee.

(ii) that it will not during the term of this Agreement give priority in the application of funds to any other functionally similar equipment or services.

4. **Continuation of Lease by Lessee.** (a) Lessee intends to comply with each term, condition and covenant of this Agreement during the term hereof and to pay the rent due hereunder. Lessee reasonably believes that legally available funds of an amount sufficient to make all rent payments due hereunder shall be obtained. Lessee agrees to include in its budget

5. **Purchase and Installation.** Lessee will select the type, quantity and supplier of each item of Equipment and in reliance thereon Lessor will either order such Equipment from such supplier or accept an assignment of any existing purchase order (the "Purchase Order") therefor. The Equipment so ordered shall be delivered to Lessee by the supplier thereof. Lessee shall accept such Equipment when and if delivered and placed in good repair and working order and hereby authorizes Lessor to add to this Agreement the serial number of each item of Equipment so delivered. Any delay in such delivery shall not affect the validity of this Agreement. Lessee shall have 30 days from the date of delivery to accept such Equipment and deliver an executed Equipment Acceptance Notice in the form attached hereto as Exhibit C. Notice of any defects must be given to Lessor within 30 days of delivery. In the event the Equipment is not accepted by the Lessee within 30 days from the date of delivery and such acceptance is unreasonably withheld by Lessee, Lessor, at Lessor's option, shall have the right to cancel this Agreement.

Subject to the conditions set forth in this paragraph, upon delivery of the Equipment to Lessee, payment will be made by Lessor for the balance due and owing for the Equipment, and, notwithstanding any defect in or failure of the Equipment, Lessee will, upon payment of any amount by Lessor at the request of Lessee (whether down payment, deposit, or full purchase price), become fully and completely liable under this Agreement with respect to the Equipment until such time as this Agreement expires by its terms. Lessor shall have no liability for any delay in delivery or failure by the supplier to fill the Purchase Order or meet the conditions thereof. Lessee, at its expense, will pay all taxes, duties and expenses of packing, transportation, installation, testing and other charges in connection with the delivery, installation, and use of the Equipment.

Lessor's obligation to purchase and lease-purchase Equipment under this Agreement is subject to the fulfillment, to Lessor's reasonable satisfaction, of the following conditions precedent:

(a) Lessor shall have received a full warranty bill of sale satisfactory to Lessor, executed by the supplier in favor of Lessor, covering such item of Equipment.

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

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

(i) the representations and warranties of Lessee contained in this Agreement are true and correct on the date thereof;

(ii) this Agreement has been duly authorized, executed and delivered by Lessee, and constitutes a valid and binding obligation of Lessee enforceable in accordance with its terms;

(iii) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal or body against Lessee which may materially affect Lessee's financial condition or operations, or which could have any effect whatsoever upon the validity, performance, or enforceability of this Agreement;

(iv) the interest portion of the rental payments due hereunder is exempt from federal income taxation pursuant to Paragraph 103(a) of the Internal Revenue Code of 1986, as amended, and the Treasury regulations and rulings thereunder (the "Code");

(v) The Lessee is a fully constituted political subdivision or agency of the State where the Equipment is located as set forth herein and is authorized by the Constitution and laws of the State of Mississippi (the "State") and its own internal or administrative procedure to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder; and

(vi) such other matters as Lessor may reasonably request.

(d) On the date thereof, no default (as defined in Paragraph 23 hereof), and no event which with notice or lapse of time, or both, would become a default, shall have occurred and be continuing hereunder.

(e) All representations and warranties of Lessee made herein shall be true and correct in all material respects on the date thereof.

(f) A financing statement, in form and substance satisfactory to Lessor, in respect of such Equipment shall have been executed and filed in the appropriate offices.

(g) Lessor shall have received from Lessee written notice of acceptance of the Equipment.

(h) Lessor shall have received all other documents, instruments, certificates, opinions, and evidences as Lessor may reasonably request.

6. **Representations and Warranties of Lessee.** Lessee represents, warrants and covenants to Lessor that:

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

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

(c) There are no pending or threatened actions or proceedings before any court, administrative agency or other body which may materially affect Lessee's financial condition or operations or which could have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement.

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

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

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

(g) Lessee has furnished to Lessor a copy of current financial statements and except for transactions directly related to, or specifically contemplated by, this Agreement and transactions heretofore disclosed in writing to Lessor, since the dates of such financial statements, there have been no changes in the financial condition and operations of Lessee from that shown in such financial statements through the date hereof which would have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement and there is no significant material fact or condition relating to the financial condition or business operations of Lessee which has not been related, in writing, to Lessor. Lessee shall furnish to Lessor within 90 days of the close of its fiscal year during the term of this Agreement audited financial statements and such other financial statements as the Lessor may request from time to time during the terms of this Agreement. Any financial statements furnished or to be furnished to Lessor by Lessee (whether audited or unaudited) shall be prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial condition and results of operations of Lessee at the dates and for the periods indicated therein.

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

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

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

7. Tax Exemption. Lessee acknowledges that Lessor has agreed to enter into this Agreement on the condition that a certain exemption from non-deductibility of interest expense under Section 265(b) of the Code is available. Said exemption is subject to certain conditions relating to Lessee's use of the Equipment and to Lessee's issuance of tax-exempt obligations. In that regard, Lessee represents, covenants and warrants that:

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

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

5

EXHIBIT "B"

(c) No portion of the gross proceeds of the Agreement will be used (directly or indirectly) to make or finance loans to persons other than governmental units.

(d) The Agreement is hereby designated as a qualified tax-exempt obligation for the purposes of Section 265(b) of the Code.

(e) Lessee reasonably anticipates that the amount of qualified tax-exempt obligations to be issued by Lessee (together with qualified tax-exempt obligations issued by any entity from which Lessee derives its issuing authority or any entity which has substantial control over Lessee or any subordinate entity deriving its issuing authority from Lessee or any subordinate entity subject to substantial control by Lessee) during the current calendar year shall not exceed \$10,000,000.

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

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

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

9. Location. The Equipment shall be delivered to the location specified in the applicable Equipment Schedule and shall not be removed from such location without the prior

6

written consent of Lessor.

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

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

12. Exemption from Federal Taxation. The Lessor has entered into this Agreement contemplating that the interest portion of rental payments will be exempt from income taxation. In the event any governmental taxing authority successfully imposes tax treatment, under this Agreement or any other lease of the Lessor which, in the opinion of Lessor's counsel, will be determinative of the tax treatment under this Agreement, which differs from the tax treatment contemplated to be taken by the Lessor hereto at the inception of this Agreement or which effectively denies to the Lessor the use or benefit of such tax treatment as contemplated, (including, but not limited to, the taxability of the interest portion of the rental payments caused by the non-applicability of Code Section 103(a) or the denial under Code Section 265(b), of a deduction for a portion of interest expense of Lessor, the affiliated group (as defined in Code Section 1504(a) of which Lessor is a member, or any separate member of the affiliated group of which Lessor is a member) then Lessee agrees to pay rents with an interest factor equal to the maximum rate of interest which, under applicable law, Lessor is permitted to charge, retroactively from the effective date of imposition of the change of tax treatment through the term of this Agreement during which the change of tax treatment is imposed, with credit being given for rental payments having already been made by Lessee during the period for which the change is imposed, and subsequently thereto, as rental payments would otherwise become due,

7

until the end of the lease term. Any retroactive payments of rent under this paragraph shall be due and payable at the date that Lessor gives notice to Lessee of imposition of the change of tax treatment.

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

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

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

14. Acceptance. Lessee acknowledges and agrees that:

(a) each item of the Equipment is of a size, design, capacity and manufacture selected by Lessee;

(b) Lessee is satisfied that the Equipment, and each component thereof, is suitable for its purpose;

(c) Lessor is not the manufacturer of the Equipment nor a dealer in property of such kind;

(d) Lessor shall have no obligation to accept any item of the Equipment from any seller thereof until that item of Equipment is accepted by Lessee; and

(e) the foregoing notwithstanding, Lessee shall indemnify Lessor and hold Lessor

8

harmless from and against any and all losses and liabilities which may arise from Lessee's failure for any reason to accept any item of the Equipment.

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

16. **Alterations and Repairs.** Lessee shall not, without the prior written consent of Lessor (which may be withheld with or without cause), make any repair or alteration to or install any accessory, equipment, or device on the Equipment or any component thereof which interferes with the normal and satisfactory operation or maintenance thereof, or creates a safety hazard, or which might result in the creation of mechanic's or materialman's lien with respect thereto. All parts and attachments (whether new or replaced) at any time installed in or affixed to the Equipment shall constitute accessories thereto and shall be the property of Lessor (except items which are furnished or affixed by Lessee and may be removed without in any way affecting or impairing the original intended function or use of the Equipment or any component thereof and are readily removable by Lessee without causing material damage to the Equipment).

17. **Disclaimer of Warranties. Exclusion of Liability.** LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE PERFORMANCE OF THE EQUIPMENT; THE WORKMANSHIP OR MATERIAL IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS. AS TO LESSEE, LESSOR LEASES THE EQUIPMENT "AS IS." Lessor shall have no obligation to accept any item of Equipment from any supplier thereof until that item of Equipment is accepted by Lessee. Lessor hereby assigns to Lessee, for and during the term of this Lease, applicable factory warranties, if any, express or implied, issued with respect to the

9

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

21. **Prepayment Purchase.** At the end of the lease term for Equipment covered by an Equipment Schedule, provided all rental payments have been made under such Equipment Schedule and there is no default or event which with the giving of notice or lapse of time, or both, could become a default under the Agreement, any interest of Lessor to the Equipment subject to such Equipment Schedule shall be transferred to the Lessee or released. Provided all rental payments under this Agreement are paid to date, Lessee may prepay for Equipment under an Equipment Schedule and purchase the interest of Lessor in the Equipment at the end of any month during the lease term by payment of:

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

Such option shall be exercisable by written notice to Lessor not less than 30 days prior to the prepayment purchase date. The closing shall be held on the specified prepayment purchase date, or on the next following business day if such day is a Saturday, Sunday or legal holiday, at the Principal Offices of Lessor, at which time Lessor shall deliver to Lessee a release of any interest of the Lessor in the Equipment subject to such Equipment Schedule to Lessee. Upon payment in full of all amounts due with respect to all Equipment identified in a particular Equipment Schedule and release of any interest by the Lessor of its interest in such Equipment to the Lessee, this Agreement shall terminate with respect to such Equipment for which payment has been made in full (but shall remain in force with respect to any other Equipment identified in another Equipment Schedule for which payment in full has not been made.)

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

11

Equipment and each component thereof, and Lessee will be subrogated to Lessor's claims, if any, against the manufacturer or supplier of the Equipment for breach of any warranty or representation with respect thereto. Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor authorizes Lessee to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenance and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, shall be made against supplier. Lessor, at its option, may provide in its Purchase Order that supplier agrees that any of such claims may be made by Lessee directly against suppliers. The obligation of Lessee to pay the rental payments shall not be abated, impaired or reduced by reason of any claims of the Lessee with respect to Equipment condition, quality, workmanship, delivery, shipment, installation, defects or otherwise. Notwithstanding the foregoing, Lessee's obligations to pay the rentals or otherwise under this Lease shall be and are absolute and unconditional. All proceeds of any such warranty recovery from the manufacturer or supplier of the Equipment shall be first used to repair the affected Equipment. In no event shall Lessor be liable to Lessee for loss of anticipatory profits or any other direct, indirect, special or consequential damages.

18. **Risk of Loss.** All risk of loss, theft, damage or destruction to each item of Equipment shall be borne by Lessee. No such loss, theft, damage or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Agreement, all of which shall continue in full force and effect, and Lessee, at Lessor's option, shall either:

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

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

10

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

- (a) nonpayment when due or within 6 days thereafter of any installment of rent or other sum owing hereunder;
- (b) breach of any other covenant or agreement in this Agreement and the continuance of such breach for a period of 10 consecutive days following Lessee's receipt of written notice thereof from Lessor;
- (c) if any representation or warranty made by Lessee or by any agent or representative of Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto proves to be incorrect at any time in any material respect;
- (d) if Lessee shall dissolve or become insolvent or bankrupt, commit any act of bankruptcy, make any assignment for the benefit of, or enter into an arrangement or composition with creditors, suspend or terminate the transaction of its usual business or consent to the appointment of a trustee or receiver of if a trustee or receiver shall be appointed for Lessee or for a substantial part of its property, or if bankruptcy, reorganization arrangements or similar proceedings shall be instituted by or against Lessee;
- (e) if any order, judgment or decree shall be entered against Lessee by a court of competent jurisdiction and such order, judgment or decree shall continue unpaid or unsatisfied for any period in excess of 60 consecutive days without a stay of execution, or if a writ or order of attachment, execution or other legal process shall be issued in connection with any action or proceeding against Lessee or its property whereby any of the Equipment or any substantial part of Lessee's property may be taken or restrained;
- (f) if Lessee shall default in the performance of any obligation or in the payment of any sum due to the Lessor under any other lease, contract, agreement, arrangement or understanding;
- (g) if any indebtedness of Lessee for borrowed money shall become due and payable by acceleration of the maturity date thereof; or
- (h) if Lessor, in the exercise of reasonable judgment, shall determine that Lessee is generally not paying its debts as such debts become due. In addition, Lessee shall give Lessor 5 days' written notice prior to the filing of any voluntary petition of bankruptcy, written notice upon commencement of an involuntary bankruptcy proceeding, or written notice prior to taking any action with respect to the Equipment in bankruptcy proceedings, and shall include in said written notice the venue of the anticipated proceedings and a copy of any relevant pleadings with respect thereto. Failure to give said written notice within the time so specified shall constitute an event of default hereunder and shall cause an immediate termination of this Agreement as to all items of Equipment. Said default and termination, however, shall not constitute an election of remedies and Lessor shall retain its rights to such other remedies as may be set forth in this Agreement.

12

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

- (a) declare the unpaid principal balance plus accrued interest to date under this Agreement to be immediately due and payable without notice or demand;
- (b) terminate this Agreement as to any or all items of Equipment;
- (c) without notice, demand, liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the leased Equipment may be, or is believed to be by Lessor, and repossess all or any item thereof, disconnecting and separating all or so much thereof as may be required to disconnect or separate same from any other property, Lessee hereby expressly waiving all further rights to possession of the Equipment and all claims for injuries suffered through or loss caused by such repossession;
- (d) cause Lessee, at its expense, promptly to return the Equipment to Lessor, at such place as Lessor may designate, in the condition set forth above;
- (e) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof the premises of Lessee or at any other location without affecting the obligations of Lessee as provided in this Agreement;
- (f) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee, and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than 10 days prior to the date thereof shall constitute reasonable notice thereof;
- (g) proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof; or
- (h) exercise any and all rights accruing to Lessor under any applicable law upon a default by Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for the loss of a bargain and not as a penalty, a sum equal to the aggregate of the following:
 - (i) all unpaid rent or other sums which are due and payable up to the date the Equipment is returned to or repossessed by Lessor,
 - (ii) any expense paid or incurred by Lessor in connection with the repossession, holding, repair and subsequent sale, lease or other disposition of the Equipment, including attorneys' fees and legal expenses, and
 - (iii) the purchase option price as prescribed in Paragraph 21 hereof, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise.

13

EXHIBIT "B"

Additionally, the measure of liquidated damages as set forth hereinabove shall be applicable to fix the damages accruing for the unexpired portion of the lease term if this Agreement is not assumed by the Lessee in a bankruptcy proceeding. Should Lessor, however, estimate its actual damages to exceed the foregoing, Lessor may, at its option, recover its actual damages in lieu of or in addition thereto.

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

25. Reports. Lessee shall:

- (a) immediately notify Lessor of any materially defective, improper, or malfunctioning item of Equipment, the nature of the defect or malfunction, the name and address of the manufacturer of the item of Equipment, and such other information as may be known;
- (b) promptly advise Lessor of all correspondence, papers, notices, and documents whatsoever received by Lessee in connection with any claim or demand involving or relating to materially improper manufacturing, operation, use, or functioning of any item of Equipment or charging Lessor or Lessee with liability, and aid in the investigation and defense of all such claims and in the recovery of damages from third persons liable therefore;
- (c) notify Lessor in writing within 10 days after any day on which any tax lien shall attach to any item of Equipment; and
- (d) reimburse Lessor, upon demand, for all attorneys' fees, court costs, and other fees, costs, and expenses incurred by Lessor in connection with the foregoing.

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

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

28. Relationship of Parties. The relationship of Lessor and Lessee is that of Lessor and Lessee only, and nothing contained herein shall be deemed or construed by Lessor and Lessee, or by any third party, or by any court, as creating the relationships of employer and employee,

14

principal and agent, partnership, or joint venture.

29. Notices. All notices, demands and requests which may or are required to be given to another party hereunder shall be in writing, and each shall be deemed to have been properly given when served personally on an executive officer of the party to whom such notice is to be given, or when sent postage prepaid by first class mail, registered or certified, return receipt requested, by deposit thereof in a duly constituted United States Post Office or branch thereof located in one of the states of the United States of America in a sealed envelope addressed as follows:

If to the Lessor:

First Continental Leasing
division of BancorpSouth Bank
P. O. Box 15097
302 Second Avenue
Hattiesburg, MS 39404-5097
Attention: Ms. Elaine D. Temple, President

If to the Lessee:

City of Petal, Mississippi
P. O. Box 564
Petal, MS 39465-0564

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

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

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

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

15

such counterpart.

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

In the event Lessee desires to buy other equipment, the parties may execute an addendum to this Agreement with respect to such other equipment by (i) executing a Purchase Order for such equipment; (ii) executing an acceptance certificate of the equipment; and (iii) obtaining new opinions and other supporting documentation as required or permitted by this Agreement. For purposes of construing subsequent transactions concerning other equipment as an integrated contract, the following shall be considered a single transaction or legal and binding agreement:

(a) This Agreement, which provides basic terms and conditions;

(b) An executed Purchase Order and acceptance certificate; and

(c) Schedules, exhibits, and other attachments to such documents that pertain to the equipment described in the delivery order, and supporting documentation such as, e.g., opinions of counsel and insurance certificates.

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

35. Persons Bound by Agreement. The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessee, and its successors, assigns, agents, and servants. The Lessee has no interest in the Equipment other than the possession and use thereof during the lease term and cannot pledge, mortgage, or grant a security interest in the Equipment or any item of Equipment. The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessor, and its successors, assigns, agents, and servants, and, where the context so requires, any person accepting an assignment of the rights of Lessor hereunder, and their respective successors, assigns, agents, and servants, and with respect to any indemnification provisions hereof, Lessor and any holder of obligations of Lessor issued in connection with this Agreement, and their respective successors, assigns, agents, and servants, shall each be entitled to indemnification hereunder without regard to the actions of any other person hereunder.

36. Assignment. (a) Without Lessor's prior consent, Lessee shall not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this

16

Agreement or the Equipment or any interest in this Agreement or said Equipment, or (ii) lease or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may, without the consent of Lessee, assign its rights, title and interest in and to this Agreement, and all attachments hereto including the Purchase Order(s), to various assignee/investors or their agents or trustees, and/or grant or assign a security interest in this Agreement or the Equipment, in whole or in part and its assignee may reassign this Agreement. Lessee agrees that this Agreement may become a part of a pool of contract obligations at Lessor's option, and Lessor or its assignees may assign or further assign either the entire pool or a fractionalized interest therein. Each such assignee shall have all of the rights of Lessor under this Agreement. Lessee shall recognize and acknowledge each such assignment and/or security interest. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assignees of the parties hereto.

EXHIBIT "B"

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

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

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

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

40. **Survival.** Lessee's obligations contained in this Agreement shall survive the

termination or cancellation of this Agreement or the expiration of the term of any schedule.

41. **Special Stipulations.** Any amendment to standard language will be set forth in Exhibit A attached hereto ("Special Stipulations").

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

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

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

LESSOR:
First Continental Leasing, a division of BancorpSouth Bank

LESSEE:
City of Petal, Mississippi

By: _____
Title: _____

By: [Signature]
Title: Mayor

CITY OF PETAL
MINUTE BOOK 25

CITY OF PETAL
ORDINANCE BOOK 3 43
ORDINANCE 2005 (2)

EXHIBIT "C"

AN ORDINANCE REQUIRING THE ISSUANCE OF PERMITS FOR ROOFING WORK WITHIN THE CITY OF PETAL, MISSISSIPPI, ESTABLISHING PENALTIES FOR VIOLATION OF THE ORDINANCE, ESTABLISHING AN EFFECTIVE DATE, AND FOR RELATED PURPOSES

WHEREAS THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI, due to the extraordinary conditions created by Hurricane Katrina do hereby find and adjudicate that there is a need for establishing a procedure for the obtaining of roofing permits within the City of Petal, Mississippi, in order to prevent predatory practices and price gouging, and to preserve the health, safety, and welfare of the City of Petal, Mississippi, it is, ORDAINED:

Section 1:

Any individual, corporation, or other legal entity, installing roofing on any residential, commercial, or governmental structure within the City of Petal, Mississippi, is required, prior to undertaking the work, to obtain a roofing permit from the Building Department of the City of Petal, Mississippi, and to pay a \$20.00 fee for said permit, submitted upon an application to be available in the Building Department of the City of Petal, Mississippi.

Section 2:

Any person, firm, or corporation, or other legal entity violating the terms and provisions of this Ordinance shall be guilty of a misdemeanor, and subject to a fine not to exceed \$500.00.


Section 3:

That due to the urgent and necessitous circumstances, this Ordinance shall be in full force and effect from and after its passage.

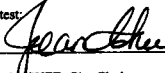
The above and foregoing Ordinance having been presented to the Mayor and Board of Alderman, first section by section and then as a whole, the following vote was taken to adopt the Ordinance:

Alderman Clayton	Yea
Alderman Stringer	Yea
Alderman Weaver	Yea
Alderman Fairley	Yea
Alderman Moore	Yea

The above and foregoing Ordinance having received the unanimous vote of each of the Aldermen of the City of Petal, Mississippi, said Ordinance was passed, and effective on this, the 20th day of September, A.D., 2005.


CARL SCOTT, Mayor

(SEAL)

Attest: 
JEAN SHEE, City Clerk

PUBLISH 1 TIME: September 29, 2005

EXHIBIT "D"



CITY OF PETAL

POST OFFICE BOX 584
PETAL, MISSISSIPPI 39465
(801) 545-1776
FAX NO. (801) 545-6885

CARL SCOTT
MAYOR
DAVID CLAYTON
LAV FARLEY
JAMES MOORE
STEVE STRONGER
LESA WEAVER
ALDENBERG
JEAN BISH
CITY CLERK
THOMAS W. TYNER
CITY ATTORNEY

September 19, 2005

William L. Carwile, III
Federal Coordinating Officer/
Disaster Recovery Manager
FEMA DR-1604-MS
Department of Homeland Security
Emergency Operations Center
1410 Riverside Drive
Jackson, MS 39296

Re: Debris Removal from Private Property

Dear Mr. Carwile:

This letter is to request pre-approval for purposes of direct federal assistance or reimbursement for our private property debris removal program. In this regard we have read and fully understand the September 7, 2005, FEMA Recovery Division Policy Number 9523.13.

The damage caused by Katrina in the City of Petal was extensive. As a meeting of the Board of Aldermen on September 15, 2005, we have made the following determinations:

1. Removal of debris from private property is necessary in the public interest to eliminate immediate threats to life, public health and safety as determined by FEMA or by the City of Petal.
2. We, the City of Petal, certify that under our local code authority we have the legal responsibility, duty and authority to remove debris from private property pursuant to MS Code of 1972, Section 33-15-49.
3. The exercise of these emergency powers and these authorities to enter onto private property in order to eliminate/reduce the determined public health and safety threat by debris removal were ordered at a meeting of the City of Petal Board of Aldermen and are hereby accepted and approved as evidenced by the minutes of the meeting of September 15, 2005.
4. We certify that before we initiate removal we shall have satisfied all the legal processes and received all legal permissions to carry out these actions of debris removal on private property through utilization of Rights of Entry with indemnity clauses signed by the property owner or use of our Petal Municipal Code process for Condemnation or Nuisance Abatement, and finally,
5. There may be circumstances where, because of the immediate urgency of the situation, the procedures of obtaining a Right of Entry or pursuing a condemnation proceeding as set out in paragraph 4, above may be too time consuming. In those instances, we certify that an appropriate City authorized official shall determine which individual properties require this exceptional process to protect the public safety. We then will act under the auspices of the

6. attached Opinion of the State of Mississippi Attorney General (and its enclosed Mississippi Department of Health statewide notice to FEMA of August 29, 2005, Declaration of Public Health Emergency) which confirms the legal basis under Mississippi law for the City to proceed to remove the debris on these private properties utilizing its police power.

We agree that we will indemnify and hold harmless the federal government and its employees, agents and contractors for any harm that may result from the removal of debris or wreckage undertaken pursuant to this request.

We also agree that we will make a reasonable search of records in the future, after this period of emergency has calmed, to determine if there is insurance coverage for debris removal on the subject private properties. If it is determined that any insurance proceeds have flowed to the private property owner, the City of Petal will make reasonable efforts to recover those proceeds and remit them to in a timely fashion to FEMA.

We look forward to your prompt approval of this request. Please contact me at 601-545-1776 if there is any further information you need.

Sincerely,



Carl L. Scott
Mayor

EXHIBIT "E"

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY
DEEM IT NECESSARY TO HIRE A FULL TIME FIREMAN, UPON
THE RECOMMENDATION OF FIRE CHIEF RICHARD BRYANT
IT IS HEREBY ORDERED THAT MICHAEL PALMER BE TRANSFERRED
FROM THE POLICE DEPT TO BE HIRED AS A FULL TIME
PROBATIONARY FIREMAN AT A RATE OF \$8.34 PER HOUR
EFFECTIVE SEPTEMBER 20, 2005
SO ORDERED ON THIS THE 20TH DAY OF SEPTEMBER, 2005.

EXHIBIT "F"

ORDER

**WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY
DEEM IT NECESSARY TO HIRE A FULL TIME MAINTENANCE TECHNICIAN
UPON THE RECOMMENDATION OF MAYOR CARL SCOTT
IT IS HEREBY ORDERED THAT BRYAN CRAVEN BE BE HIRED AS A FULL TIME
MAINTENANCE TECHNICIAN AT A RATE OF \$10.00 PER HOUR
EFFECTIVE SEPTEMBER 3, 2005
SO ORDERED ON THIS THE 20TH DAY OF SEPTEMBER, 2005.**

EXHIBIT "G"

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY
DEEM IT NECESSARY TO HIRE A FULL TIME FIRE FIGHTER
UPON THE RECOMMENDATION OF CHIEF RICHARD BRYANT
IT IS HEREBY ORDERED THAT JUSTIN BELIVEAU BE BE HIRED AS A FULL TIME
PROBATIONARY FIREFIGHTER AT A RATE OF \$8.34 PER HOUR
EFFECTIVE OCTOBER 1, 2005
SO ORDERED ON THIS THE 20TH DAY OF SEPTEMBER 2005.

EXHIBIT "H"

ORDER

**WHEREAS, THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY
DEEM IT NECESSARY TO HIRE A FULL TIME POLICE OFFICER
UPON THE RECOMMENDATION OF CHIEF LEE SHELBOURN
IT IS HEREBY ORDERED THAT ANDY DAVIS BE HIRED AS A FULL TIME
4TH CLASS PATROLMAN AT A RATE OF \$11.49 PER HOUR
EFFECTIVE SEPTEMBER 28, 2005
SO ORDERED ON THIS THE 20TH DAY OF SEPTEMBER 2005.**

RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF AN
EQUIPMENT LEASE-PURCHASE AGREEMENT WITH FIRST
CONTINENTAL LEASING, A DIVISION OF BANCORPSOUTH BANK FOR
THE PURPOSE OF LEASE-PURCHASING CERTAIN EQUIPMENT

CITY OF PETAL
MINUTE BOOK 25

49

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

EXHIBIT "I"

1. The Lessee desires to enter into an Equipment Lease-Purchase Agreement with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Agreement") with First Continental Leasing, a division of BancorpSouth Bank (the "Lessor") for the purpose of presently purchasing the equipment as described therein for the total cost specified therein (collectively the "Equipment") and to purchase such other equipment from time to time in the future upon appropriate approval;
2. The Lessee is authorized pursuant to Section 31-7-13(e) of the Mississippi Code of 1972, as amended, to acquire equipment and furniture by Lease-Purchase agreement and pay interest thereon by contract for a term not to exceed 5 years.
It is in the best interest of the residents served by Lessee that the Lessee acquire the Equipment pursuant to and in accordance with the terms of the Agreement; and
4. It is necessary for the Lessee to approve and authorize the Agreement.
5. The Lessee desires to designate the Agreement as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

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

Section 1. The Agreement and Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" by and between the Lessor and the Lessee is hereby approved and Mayor Carl Scott (the "Authorized Officer") is hereby authorized and directed to execute said Agreement on behalf of the Lessee.

Section 2. The Agreement is being issued in calendar year 2005.

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

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

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

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

Section 7. In calendar year 2005, Lessee has designated \$110,990.00 of tax-exempt obligations (including the Agreement) as qualified tax-exempt obligations.

Including the Agreement herein so designated, Lessee will not designate more than \$10,000,000 of obligations issued during calendar year 2005 as qualified tax-exempt obligations.

Section 8. Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2005 will not exceed \$10,000,000.

Section 9. For purposes of this resolution, the amount of Tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by all entities deriving their issuing authority from Lessee or by an entity subject to substantial control by Lessee, as provided in Section 265(b)(3)(E) of the Code.

Section 10. The Authorized Officer is further authorized for and on behalf of the Governing Body and the Lessee to do all things necessary in furtherance of the obligations of the Lessee pursuant to the Agreement, including execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby in accordance with the terms and provisions thereof.

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

Alderman David Clayton Voted: YEA

Alderman Kay Fairley Voted: YEA

Alderman James Moore Voted: YEA

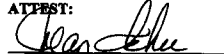
Alderman Steve Stringer Voted: YEA

Alderman Liess Weaver Voted: YEA

The motion having received the affirmative vote of all members present, the Mayor declared the motion carried and the resolution adopted this the 20th day of September, 2005.


Carl Scott, Mayor

ATTEST:


Jean Shee, City Clerk

(SEAL)

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