

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD A REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON FEBRUARY 21, 2006 AT 7:00 P.M. IN THE COURTROOM OF SAID CITY.

THOSE PRESENT	MAYOR CARL SCOTT
ATTORNEY	DAPHNE LANCASTER (FOR THOMAS W TYNER)
ALDERMEN	KAY FAIRLEY JAMES MOORE STEVE STRINGER LIESA WEAVER
OTHERS PRESENT	ANN CLARK POLICE CHIEF LEE SHELBOURN ADA MADISON DAN TOLBERT ALLEN FLYNT DEBORAH REYNOLDS

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

THE INVOCATION WAS OFFERED BY CLINT DAVIS

THE PLEDGE OF ALLEGIANCE WAS RECITED.

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

- VIII. OLD BUSINESS
  - 2. REQUEST TO ACCEPT THE QUOTE FROM IMAGISTICS INC IN AMOUNT OF \$2,500.00 FOR COPIER FOR RECREATION AND BUILDING DEPARTMENT
  
- IX. GENERAL BUSINESS
  - 2. OMIT
  - 18. REQUEST TO ACCEPT ESTIMATE #3 FROM GEO PAVE, INC FOR DEBRIS REMOVAL IN AMOUNT OF \$1,090,228.59.
  - 19. REQUEST TO PLACE MORATORIUM ON METAL/STEEL BUILDING PERMITS FOR 90 DAYS ON STRUCTURE OF OVER 300 SQUARE FEET AND ANYONE SEEKING TO BUILD MUST GET APPROVAL FROM BOARD.
  
- XI. ORDERS & ORDINANCES
  - 2. OMIT
  - 5. OMIT
  - 7. REQUEST TO REASSIGN JEREMY ROBB TO INVESTIGATION DIVISION EFFECTIVE FEBRUARY 22, 2006.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING CHANGES. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 FEBRUARY 7, 2006 AND THE RECESS MEETING OF FEBRUARY 13, 2006.

THEREUPON, ALDERMAN WEAVER MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF FEBRUARY 7, 2006 AND RECESS MEETING OF FEBRUARY 13, 2006 BE ADOPTED AS WRITTEN. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT CALLED FOR PUBLIC COMMENT.

THEREUPON, BILL THARP ADDRESSED THE MAYOR AND BOARD OF ALDERMEN ABOUT PUTTING STREET LIGHTS ON SPRINGFIELD ROAD.

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST TO ACCEPT THE FINAL PLAT FOR EDGEMERE SUBDIVISION.

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

THOSE PRESENT AND VOTING "AYE"

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 PURCHASE AN IM2020 COPIER FROM IMAGISTIC, INC IN AMOUNT OF \$2,500.00 UNDER STATE CONTRACT.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE QUOTE FROM IMAGISTIC, INC IN AMOUNT OF \$2,500.00 FOR IM2020 COPIER, THAT IS ON STATE CONTRACT, AND TO CONTRACT WITH THE MAINTENANCE OF \$395.00. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, BRUCE DUCKWORTH ADDRESSED THE MAYOR AND BOARD OF ALDERMEN ABOUT PROPERTY LOCATED AT 134 W CENTRAL AVENUE. MR DUCKWORTH STATED THE PROPERTY LOCATED AT THIS ADDRESS IS ZONED C-2, GENERAL COMMERCIAL, AND HE HAD A BUSINESS THERE UNTIL HURRICANE KATRINA, AND THEN HE MOVED INTO THE HOUSE AND WOULD LIKE TO LIVE THERE.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO GIVE HIM SIXTY (60) DAYS TO FIND SOMEWHERE ELSE TO LIVE, BECAUSE ONCE A BUSINESS HAS BEEN IN A COMMERCIAL BUILDING, IT CAN'T GO BACK TO RESIDENTIAL. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 DONATE \$350.00 TO THE JR ACHIEVEMENT FOR TRAINING MATERIAL FOR W L SMITH ELEMENTARY.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO DONATE \$350.00 TO THE JR ACHIEVEMENT FOR TRAINING MATERIAL FOR W L SMITH ELEMENTARY. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN JAMES MOORE  
ALDERMAN STEVE STRINGER

THOSE PRESENT AND VOTING "NAY"

ALDERMAN KAY FAIRLEY

THOSE PRESENT AND VOTING "RECUSED"

ALDERMAN LIESA WEAVER

WHEREAS, MAYOR SCOTT PRESENTED A LIST OF UNMARKED VEHICLES TO BE USED IN THE POLICE DEPARTMENT.

SEE EXHIBIT "A"

LIST OF UNMARKED VEHICLES

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ACCEPT THE LIST OF UNMARKED VEHICLES FOR THE POLICE DEPARTMENT. ALDERMAN STRINGER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE RESIGNATION OF POLICE OFFICER CARLA BOUNDS IN THE POLICE DEPARTMENT.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO ACCEPT THE RESIGNATION OF OFFICER CARLA BOUNDS IN THE POLICE DEPARTMENT EFFECTIVE FEBRUARY 22, 2006. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 WITHHOLD \$219.79 FROM CARLA BOUNDS LAST PAYROLL CHECK FOR ADVANCEMENT OF CLOTHING ALLOWANCE.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO WITHHOLD \$219.79 FROM OFFICER CARLA BOUNDS LAST PAYROLL CHECK FOR CLOTHING ALLOWANCE. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 TERMINATE RYAN LAMBERT.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO TERMINATE RYAN LAMBERT FROM THE STREET DEPARTMENT EFFECTIVE FEBRUARY 8, 2006. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING PROOF OF PUBLICATION:

A. ORDINANCE 1974(3-1)

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

THOSE PRESENT AND VOTING "AYE"

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 JANUARY 2006.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF JANUARY 2006. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF JANUARY 2006.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ACCEPT THE REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF JANUARY 2006. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 PLACE AD FOR CODE ENFORCEMENT OFFICER TO REPLACE JOHN THOMSEN.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ADVERTISE FOR POSITION OF CODE ENFORCEMENT OFFICER. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FOR SERVICE AGREEMENT ON THE FOLLOWING CAT EQUIPMENT:

SEE EXHIBIT "B"

SERVICE AGREEMENT

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE SERVICE AGREEMENT WITH PUCKETT MARCHINERY COMPANY ON CAT EQUIPMENT. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 ADVERTISE FOR USED TRUCK TRACTOR.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ADVERTISE FOR A USED TRUCK TRACTOR FOR THE STREET DEPARTMENT. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 RECREATION SUPERVISOR TOM HARDGES TO PAY FOR MEMBERSHIP DUES WITH UNITED STATE TENNIS ASSOCIATION (USTA).

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY \$25.00 FOR MEMBERSHIP DUES TO UNITED STATES TENNIS ASSOCIATION (USTA) FOR THE RECREATION DEPARTMENT. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 FORREST COUNTY BOARD OF SUPERVISORS TO UPGRADE THE ELECTRICAL SYSTEM AT THE EAST PETAL PRECINCT FOR THE HAVA (HELP AMERICA VOTE ACT OF 2002) POLLING PLACES.

SEE EXHIBIT "C"

EAST PETAL PRECINCT

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE AGREEMENT WITH FORREST COUNTY BOARD OF SUPERVISORS TO UPGRADE THE ELECTRICAL SYSTEM AT THE EAST PETAL PRECINCT FOR HAVA (HELP AMERICA VOTE ACT OF 2002) IN ACCORDANCE WITH THE AMERICAN WITH DISABILITIES ACT. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 APPOINT FIRE CHIEF RICHARD BRYANT TO THE PLANNING COMMISSION AS AN ADVISOR.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO APPOINT FIRE CHIEF RICHARD BRYANT TO THE PLANNING COMMISSION AS AN ADVISOR. ALDERMAN WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED HIS LETTER VETOING THE ALDERMEN'S DECISION TO WAIVE THE DISPOSAL FEE FOR 90 DAYS CITY WIDE FOR SPECIAL PICK-UP.

SEE EXHIBIT "D"

VETO LETTER

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO OVERRIDE THE VETO.

DIED, DUE TO A LACK OF A SECOND.

WHEREAS, MAYOR SCOTT PRESENTED ESTIMATE #3 IN THE AMOUNT OF \$1,090,228.59 FROM SCI, INC/ GEOPAVE FOR DEBRIS REMOVAL CITY WIDE.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION THE ACCEPT THE ESTIMATE #3 IN THE AMOUNT OF \$1,090,228.59 FROM SCI, INC/ GEO PAVE FOR DEBRIS REMOVAL. ALDERMAN WEAVER SECONDED THE MOTION

THOSE PRESENT AND VOTING "AYE"

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 PLACE A MORITORIUM ON METAL/STEEL BUILDING PERMITS FOR 90 DAYS ON STRUCTURE OF OVER 300 SQUARE FEET AND ANYONE SEEKING MUST GET APPROVAL FROM BOARD.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE REQUEST TO PLACE A MORITORIUM ON METAL/STEEL BUILDING PERMITS FOR 90 DAYS ON STRUCTURE OF OVER 300 SQUARE FEET. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

ALDERMAN KAY FAIRLEY  
ALDERMAN JAMES MOORE  
ALDERMAN LIESA WEAVER

THOSE PRESENT AND VOTING "NAY"

ALDERMAN STEVE STRINGER

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FOR THE CITY OFFICIALS TO ATTEND MML 2006 SPRING TRAINING AT LAKE TERRACE CONVENTION CENTER IN HATTIESBURG, MS ON MARCH 8, 2006.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZE THE CITY CLERK TO MAKE RESERVATIONS FOR CITY OFFICIALS TO ATTEND THE MML 2006 SPRING TRAINING AT LAKE TERRACE CONVENTION CENTER IN HATTIESBURG, MS MARCH 8, 2006. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 SEND OFFICER DAVID WARD TO TACTICAL OPERATIONS SPECIALIST CERTIFICATION COURSE IN JACKSON, MS APRIL 3-7, 2006.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE OFFICER DAVID WARD TO ATTEND THE TACTICAL OPERATIONS SPECIALIST CERTIFICATION COURSE IN JACKSON, MS APRIL 3-7, 2006 AND TO PAY HIS EXPENSES. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT REQUESTED THE WISHES OF THE BOARD CONCERNING THE REGISTRATION AND RESERVATION FOR THE MISSISSIPPI MUNICIPAL LEAGUE ANNUAL CONVENTION JULY 23-27, 2006 IN TUNICA, MS AT THE GRAND CASINO.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZE THE CITY CLERK TO MAKE THE RESERVATIONS AND REGISTRATIONS FOR THE CITY OFFICIALS TO ATTEND THE MISSISSIPPI MUNICIPAL LEAGUE ANNUAL CONVENTION JULY 23-27, 2006 IN TUNICA, MS AT THE GRAND CASINO. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FOR EDGAR MOORE AND DONTAY HAMLIN TO ATTEND THE SPORTS TURF CARE SEMINAR IN RICHLAND, MS FEBRUARY 23, 2006.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE EDGAR MOORE AND DONTAY HAMLIN TO ATTEND THE SPORTS TURF CARE SEMINAR IN RICHLAND, MS FEBRUARY 23, 2006. ALDERMAN FAIRLEY SECONDED THE MOTION.  
THOSE PRESENT AND VOTING "AYE"

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 TO ATTEND THE 2006 GOVERNOR'S HOMELAND SECURITY CONFERENCE IN CHOCTAW, MS MARCH 13-15, 2006 AS A REPRESENTATIVE FOR THE CITY.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE FIRE CHIEF RICHARD BRYANT TO ATTEND THE 2006 GOVERNOR'S HOMELAND SECURITY CONFERENCE IN CHOCTAW, MS MARCH 13-15, 2006 AS A REPRESENTATIVE FOR THE CITY AND TO PAY HIS EXPENSES. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 ASSISTANT CHIEF DON SEALY TO ATTEND THE 2006 GOVERNOR'S HOMELAND SECURITY CONFERENCE IN CHOCTAW, MS MARCH 13-15, 2006 AS A TEAM MEMBER THROUGH THE EOC.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO AUTHORIZE ASSISTANT CHIEF DON SEALY TO ATTEND THE 2006 GOVERNOR'S HOMELAND SECURITY CONFERENCE IN CHOCTAW, MS MARCH 13-15, 2006 AS A TEAM MEMBER THROUGH THE EOC. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 SEND BRIAN FORD TO THE REGIONAL ORGANIZED CRIME INFORMATION CENTER CONFERENCE IN GREENVILLE, SC ON MARCH 12-15, 2006.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE BRIAN FORD TO ATTEND THE REGIONAL ORGANIZED CRIME INFORMATION CENTER CONFERENCE IN GREENVILLE, SC MARCH 12-15, 2006 AND TO PAY HIS EXPENSES. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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



THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FOR SGT TAMMY MOORE AND SGT MATTHEW HIATT TO ATTEND THE S.T.O.R.M. CONFERENCE IN VICKSBURG, MS MARCH 20-24, 2006.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE SGT TAMMY MOORE AND SGT MATTHEW HIATT TO ATTEND THE S.T.O.R.M. CONFERENCE IN VICKSBURG, MS MARCH 20-24, 2006. ALDERMAN FAIRLEY SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST FOR SGT DAVID BASSETT TO ATTEND THE CRIMINAL INTELLIGENCE SYSTEMS OPERATING POLICIES CLASS IN PEARL, MS MARCH 14, 2006.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO AUTHORIZE SGT DAVID BASSETT TO ATTEND THE CRIMINAL INTELLIGENCE SYSTEMS OPERATING POLICIES CLASS IN PEARL, MS MARCH 14, 2006. ALDERMAN MOORE SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

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 BOBBY HOLLIS.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A LABORER IN THE STREET DEPARTMENT.

IT IS HEREBY ORDERED THAT BOBBY HOLLIS BE HIRED IN THE STREET DEPARTMENT AS LABORER AT A RATE OF \$8.00 PER HOUR EFFECTIVE MARCH 1, 2006.

SO ORDERED ON THIS THE 21<sup>ST</sup> DAY OF FEBRUARY 2006.

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

THOSE PRESENT AND VOTING "AYE"

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 BILL BROWN.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO HIRE A POLICE OFFICER IN THE POLICE DEPARTMENT UPON THE RECOMMENDATION OF CHIEF LEE SHELBOURN.

IT IS HEREBY ORDERED THAT BILL BROWN BE HIRED AS A 1<sup>ST</sup> CLASS POLICE OFFICER AT A RATE OF \$28,100.00 ANNUALLY EFFECTIVE FEBRUARY 22, 2006.

SO ORDERED ON THIS THE 21<sup>ST</sup> DAY OF FEBRUARY 2006.

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

THOSE PRESENT AND VOTING "AYE"

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 CHANGING PAY PERIOD.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY TO CHANGE THE PAY PERIOD FOR DISPATCHER PAUL BOUNDS.

IT IS HEREBY ORDERED THAT THE PAY PERIOD OF DISPATCHER PAUL BOUNDS FROM 84 HOURS @\$10.99 TO 80 HOURS @\$11.81 PER HOUR EFFECTIVE FEBRUARY 15, 2006.

SO ORDERED ON THIS THE 21<sup>ST</sup> DAY OF FEBRUARY 2006.

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

THOSE PRESENT AND VOTING "AYE"

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 HIRE NEIL REED AS PART TIME.

ORDER

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

IT IS HEREBY ORDERED THAT NEIL REED BE HIRED AS A PART TIME OPTIMIST WORKER IN THE RECREATION DEPARTMENT AT A RATE OF \$6.25 PER HOUR EFFECTIVE MARCH 1, 2006.

SO ORDERED ON THIS THE 21<sup>ST</sup> DAY OF  
FEBRUARY, 2006.

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

THOSE PRESENT AND VOTING "AYE"

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 PROMOTING  
OFFICER JEREMY ROBB.

ORDER

WHEREAS, THE MAYOR AND BOARD  
OF ALDERMEN OF THE CITY OF PETAL,  
MISSISSIPPI DO HEREBY DEEM IT NECESSARY  
TO PROMOTE AN OFFICER TO FILL THE VACANCY  
OF OFFICER CARLA BOUNDS.

IT IS HEREBY ORDERED THAT OFFICER  
JEREMY ROBB, UPON THE RECOMMENDATION  
OF CHIEF LEE SHELBURN, BE PROMOTED TO  
THE INVESTIGATION DIVISION AT A RATE OF  
\$27,100.00 ANNUALLY EFFECTIVE FEBRUARY 22,  
2006.

SO ORDERED ON THIS THE 21<sup>ST</sup> DAY OF  
FEBRUARY, 2006.

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

THOSE PRESENT AND VOTING "AYE"

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.

SEE EXHIBIT "E"

RESOLUTION

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE  
OF GENERAL OBLIGATION BONDS, SERIES 2006, OF THE  
CITY OF PETAL, MISSISSIPPI, IN THE PRINCIPAL AMOUNT  
OF FIVE MILLION DOLLARS (\$5,000,000) TO RAISE MONEY  
FOR THE PURPOSE OF PROVIDING FUNDS FOR ERECTING  
MUNICIPAL BUILDINGS, COMMUNITY CENTERS, PREPARING  
AND EQUIPPING ATHLETIC FIELDS, AND PURCHASING  
BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING,  
ADORNING AND EQUIPPING THE SAME; PURCHASING LAND  
FOR PARKS AND PUBLIC PLAYGROUNDS, AND IMPROVING,  
EQUIPPING AND ADORNING THE SAME, INCLUDING  
THE CONSTRUCTING, REPAIRING AND EQUIPPING OF  
RECREATIONAL FACILITIES; PROTECTING THE CITY, ITS  
STREETS AND SIDEWALKS FROM OVERFLOW, CAVING BANKS  
AND OTHER LIKE DANGERS; CONSTRUCTING, IMPROVING OR  
PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS,  
WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING  
LAND THEREFORE; AND PURCHASING FIRE-FIGHTING  
EQUIPMENT AND APPARATUS, AND PROVIDING HOUSING FOR

SAME, AND PURCHASING LAND THEREFOR; PURCHASING MACHINERY AND EQUIPMENT  
WEIGHING MORE THE TWELVE THOUSAND  
(12, 000) POUNDS AND WHICH HAVE AN EXPECTED USEFUL LIFE  
IN EXCESS OF TEN YEARS, WHICH EXPECTED USEFUL LIFE EXCEEDS  
THE LIFE OF THE BONDS ISSUED TO FINANCE SUCH PURCHASE;  
AND FOR OTHER PURPOSES AUTHORIZED BY MISSISSIPPI CODE  
SECTION 21-33-301

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

THOSE PRESENT AND VOTING "AYE"

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.

SEE EXHIBIT "F"

RESOLUTION

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND  
DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT  
FOR THE SALE OF FIVE MILLION DOLLARS (\$5,000,000)  
GENERAL OBLIGATION BONDS, SERIES 2006,  
OF THE CITY OF PETAL, MISSISSIPPI

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

THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

WHEREAS, MAYOR SCOTT PRESENTED THE FOREGOING PROCLAMATION.

SEE EXHIBIT "G"

PROCLAMATION

READ ACROSS AMERICA DAY  
MARCH 2, 2006

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

THOSE PRESENT AND VOTING "AYE"

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  
WEAVER SECONDED THE MOTION.

THOSE PRESENT AND VOTING "AYE"

CITY OF PETAL  
MINUTE BOOK 25

439

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

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 ADJOURNED ON  
THIS THE 21<sup>ST</sup> DAY OF FEBRUARY, 2006.

  
\_\_\_\_\_  
CARL SCOTT  
MAYOR

(SEAL)

ATTEST:

  
\_\_\_\_\_  
JEAN ISHEE  
CITY CLERK

EXHIBIT "A"

PETAL POLICE DEPARTMENT  
127 W 8<sup>TH</sup> AVE  
PETAL, MS. 39465  
Ph #601-544-5331  
Fax #601-544-5347

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February 10, 2006

To: Mayor and Board of Alderman

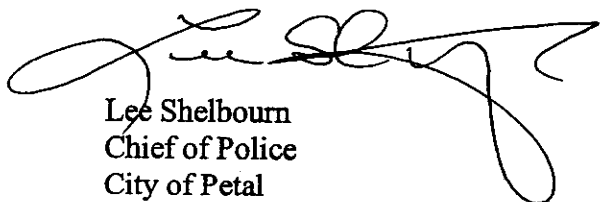
From: Chief Lee Shelbourn

Re: Unmarked Vehicles

The Petal Police Department would like to request that the following vehicles be used as unmarked vehicles.

M-6	1999 Ford Ranger	1FTYR10C9XUA24129	Investigator
M-10	1995 Honda	1HGCD565SA066682	Investigator
M-11	1995 Nissan Maxima	JN1CA21D6ST049117	Investigator
M-12	1997 Ford Thunderbird	1FNP6241VH117256	Narcotics
M-15	1996 Lincoln	1LNLM97V1TY680614	Asst. Chief
#38	1997 Ford Taurus	1FALP52UXVA238290	Investigator
#52	2004 Dodge Intrepid	2B3HD46V24H593137	Chief

Thank You



Lee Shelbourn  
Chief of Police  
City of Petal

*I want to know who  
drive all these vehicles.*

*CSJ*

**Maintenance:**  
Provide scheduled maintenance at the 250-hour interval. Services performed may vary depending on the machine model, serial number and arrangement.

**250-Hour Service**  
Change Fuel Filter  
Change Engine Oil & Filter  
Scheduled Fluid Analysis  
Change Outer Air Filter  
Visual Inspection of Machine

**500-Hour Service**  
250 Hour Service Plus:  
Change Transmission Filter  
Change Inner Air Filter

**1000-Hour Service**  
500 Hour Service Plus:  
Change Hydraulic Filter  
Change Transmission Fluid

**2000-Hour Service**  
1000 Hour Service Plus:  
Change Hydraulic Fluid

**What's Included:**  
Disposal of all waste oil and filters.  
Written machine inspection report.  
Documented maintenance history.  
Travel time & mileage (25 mile radius)

**What's not included:**  
Daily inspections  
Top-off fluids (between scheduled services)

**Communication Hardware**  
Where Puckett Machinery Co. provides Satellite Communication Hardware, that hardware shall be the property of Puckett Machinery Co. When the contract terminates, the Satellite Communication hardware must be removed (at Puckett Machinery Company's expense) and returned to Puckett Machinery Co.

**Customer Responsibilities**  
Report service hour meter reading to Puckett Machinery Co. every two weeks. Puckett Machinery Co. will not be held liable for any failure caused by lack of Preventative Maintenance if the above-mentioned customer does not report the machine hour meter reading at least every two weeks.  
Replace Hour Meter if at any time it stops functioning.

**Termination:**  
Either party can terminate this agreement with a thirty day written notice.

**Limitation of Liability:**  
The undersigned acknowledges that the responsibilities of Puckett Machinery Co. are limited to the servicing of the equipment as outlined herein and does not guarantee the detection or replacement of worn out, defective or malfunctioning parts. In no event shall Puckett Machinery Co. be liable for any direct, indirect, special, incidental or consequential damages, such as, but not limited to, loss of anticipated profits or other economic loss in connection with, or arising from the furnishing, functioning or use of any items of equipment or services provided in this agreement.

CITY OF  
MINUTE B

EXHIBIT

CATERPILLAR

MAINTENANCE SERVICES

## Understanding S.O.S. Services Tests



You'll get greater benefits from your S.O.S. Services program when you understand the tests chosen by Caterpillar engineers to monitor oil condition and contaminants.

Know what the numbers mean and maximize your investment

S.O.S. Services use valuable, non-destructive tools that can maximize equipment life and productivity, and minimize operating costs and downtime. Four types of analysis are performed on engine, hydraulic and transmission oil.

- Wear Rate monitors and tracks critical wear particles, contaminants and oil additive package elements.
  - Oil Condition compares used oil to new oil to see if it is providing adequate lubrication and protection.
  - Oil Cleanliness determines if any contaminants are causing accelerated wear.
  - Additional Tests detect water, glycol or fuel in oil.
- Take oil samples at consistent intervals to detect potential problems early, reduce repair costs and lessen the impact on downtime.

Puckett CAT

## Customer Support Agreements

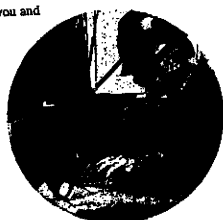
Increase productivity. Increase profit.

### CSA Commitment

Puckett Machinery provides scheduled maintenance services in a timely, efficient and cost-effective manner. The Customer Support Agreement (CSA) is a flexible contract between you and Puckett Machinery that will provide routine maintenance for your equipment at a guaranteed price.

The CSA lets you concentrate on your business, while a factory trained technician with extensive equipment knowledge maintains your equipment on-site at each 250 hour interval.

Scheduled Oil Sampling (SOS) is performed on all fluids, using state-of-the-art infrared scanning and spectrophotometry to analyze oil samples, for an overall picture of your equipment's condition. You will receive a written report detailing services performed, SOS results and recommendations for any additional repair that may be required.



- No need to maintain shop building or equipment
- Eliminate parts ordering and waste disposal issues
- EPA compliant
- CAT, DEERE, KOMATSU, CASE can provide scheduled maintenance on ALL manufacturers' equipment

Puckett CAT

## Customer Support Agreement

Increase productivity. Increase profit.

Customer: City of Petal  
 Acct No.:  
 Make: CAT Dozer  
 Model: D5G  
 S/N: RKG02079  
 Equip. #:  
 Hrs/SMU:  
 Location:

**Services Requested:**  
 Maintenance Only  Kidney Loop  
 Maintenance and Repair  Hydraulic Tune-Up

**Billing Preference:**  
 Financed (CSA Price added to Machine Price)  
 Hourly (Billed Monthly Based on Hours Used)  
 Contract Pricing (Average Cost of 8 Services)  
 Per Service (Flat Rate Price of Individual Service)  
 Other

Contract Pricing: (Based on 30 months or 2,000 hours of maintenance - whichever comes first)  
 Financed (no time requirement) \$0.00

Hourly (\$/Hour)	Contract Pricing (based on Zone 1)
250 - \$ \$515.00	500 - \$ \$515.00
1000 - \$ \$515.00	2000 - \$ \$515.00
<input checked="" type="checkbox"/> Zone 1 (0-25 Miles) \$ 110.00	<input type="checkbox"/> Zone 2 (26 - 50 Miles) \$ 220.00
<input type="checkbox"/> Zone 3 (51 - 75 Miles) \$ 330.00	<input type="checkbox"/> Zone 4 (76 - 100 Miles) \$ 440.00

Contract Term: Beginning Date: 2/13/2006 End Date: 8/13/2008  
 Total Contract Price: \$0.00

**Customer Responsibilities:**  
 Perform all 10, 50 and 100 hour scheduled maintenance.  
 Provide and add daily make-up fluids as required.  
 Provide access to machine to install and remove Satellite Communication Hardware  
 Report current machine hours to Puckett Machinery Co. Every 2 Weeks. \*

**Dealer Responsibilities:**  
 Provide scheduled maintenance per factory recommendations at the 250-hour interval.  
 Properly dispose of used oil and filters.  
 Maintain service records.  
 Perform visual machine inspections during scheduled service to identify and report readily observable equipment deficiencies.

Customer Authorization: \_\_\_\_\_ Date: \_\_\_\_\_  
 Customer Contact: \_\_\_\_\_ Phone: \_\_\_\_\_  
 Contract P. O. Number: \_\_\_\_\_ Phone: \_\_\_\_\_  
 PMC Representative: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Puckett CAT

**Maintenance:**  
Provide scheduled maintenance at the 250-hour interval. Services performed may vary depending on the machine model, serial number and arrangement.

**250-Hour Service**  
Change fuel filter  
Change Engine Oil & Filter  
Scheduled Fluid Analysis  
Change Outer Air Filter  
Visual Inspection of Machine

**500-Hour Service**  
250 Hour Service Plus:  
Change Transmission Filter  
Change Inner Air Filter

**1000-Hour Service**  
500 Hour Service Plus:  
Change Hydraulic Filter  
Change Transmission Fluid

**2000-Hour Service**  
1000 Hour Service Plus:  
Change Hydraulic Fluid

**What's Included:**  
Disposal of all waste oil and filters.  
Written machine inspection report.  
Documented maintenance history  
Travel time & mileage (25 mile radius)

**What's not included:**  
Daily inspections  
Top-off fluids (between scheduled services)

**Satellite Communication Hardware**  
On machines where Puckett Machinery Co. provides Satellite Communication Hardware, that hardware remains the property of Puckett Machinery Co. When the contract terminates, the Satellite Communication Hardware must be removed (at Puckett Machinery Company's expense) and returned to Puckett Machinery Co.

**\*Customer Responsibilities**  
Report service hour meter reading to Puckett Machinery Co. every two weeks. Puckett Machinery Co. will not be held liable for any failure caused by lack of Preventative Maintenance if the above-mentioned customer does not report the machine hour meter reading at least every two weeks.  
Replace Hour Meter if at any time it stops functioning.

**Termination:**  
Either party can terminate this agreement with a thirty day written notice.

**Limitation of Liability:**  
The undersigned acknowledges that the responsibilities of Puckett Machinery Co. are limited to the servicing of the equipment as outlined herein and does not guarantee the detection or replacement of worn out, defective or malfunctioning parts. In no event shall Puckett Machinery Co. be liable for any direct, indirect, special, incidental or consequential damages, such as, but not limited to, loss of anticipated profits or other economic loss in connection with, or arising from the furnishing, functioning or use of any items of equipment or services provided in this agreement.

CITY OF PETALUMA  
MINUTE BOOK

EXHIBIT "B"

**Customer:** City of Petaluma  
**Acct No.:** \_\_\_\_\_  
**Make:** CAT  
**Model:** 416C  
**S/N:** 4Z222725  
**Equip. #:** \_\_\_\_\_  
**Hrs/SMU:** \_\_\_\_\_  
**Location:** \_\_\_\_\_

**Services Requested:**  
 Maintenance Only  Kidney Loop  
 Maintenance and Repair  Hydraulic Tune-Up

**Billing Preference:**  
 Financed (CSA Price added to Machine Price)  
 Hourly (Billed Monthly Based on Hours Used)  
 Contract Pricing (Average Cost of 8 Services)  
 Per Service (Flat Rate Price of Individual Service)  
 Other

Contract Pricing: (Based on 30 months or 2,000 hours of maintenance - whichever comes first)  
Financed (no time requirement) \$0.00

Hourly (\$/Hour)	Contract Pricing (based on Zone 1)
\$0.00	\$0.00
Per Service 250 - \$ \$578.75	500 - \$ \$578.75
1000 - \$ \$578.75	2000 - \$ \$578.75
<input checked="" type="checkbox"/> Zone 1 (0-25 Miles) \$ 110.00	<input type="checkbox"/> Zone 2 (26 - 50 Miles) \$ 220.00
<input type="checkbox"/> Zone 3 (51 - 75 Miles) \$ 330.00	<input type="checkbox"/> Zone 4 (76 - 100 Miles) \$ 440.00
<input type="checkbox"/> Other	

Contract Term: Beginning Date: 2/13/2006 End Date: 8/13/2006  
Total Contract Price: \$0.00

**Customer Responsibilities:**  
Perform all 10, 50 and 100 hour scheduled maintenance.  
Provide and add daily make-up fluids as required.  
Provide access to machine to install and remove Satellite Communication Hardware  
Report current machine hours to Puckett Machinery Co. Every 2 Weeks. \*

**Dealer Responsibilities:**  
Provide scheduled maintenance per factory recommendations at the 250-hour interval.  
Properly dispose of used oil and filters.  
Maintain service records.  
Perform visual machine inspections during scheduled service to identify and report readily observable equipment deficiencies.

**Customer Authorization:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Customer Contact:** \_\_\_\_\_ **Phone:** \_\_\_\_\_  
**Contract P. O. Number:** \_\_\_\_\_ **Phone:** \_\_\_\_\_  Cell  Fax  
**PMC Representative:** \_\_\_\_\_ **E-Mail:** \_\_\_\_\_



**Customer:** City of Petaluma  
**Acct No.:** \_\_\_\_\_  
**Make:** CAT  
**Model:** 12H  
**S/N:** CBK00886  
**Equip. #:** \_\_\_\_\_  
**Hrs/SMU:** \_\_\_\_\_  
**Location:** \_\_\_\_\_

**Services Requested:**  
 Maintenance Only  Kidney Loop  
 Maintenance and Repair  Hydraulic Tune-Up

**Billing Preference:**  
 Financed (CSA Price added to Machine Price)  
 Hourly (Billed Monthly Based on Hours Used)  
 Contract Pricing (Average Cost of 8 Services)  
 Per Service (Flat Rate Price of Individual Service)  
 Other

Contract Pricing: (Based on 30 months or 2,000 hours of maintenance - whichever comes first)  
Financed (no time requirement) \$0.00

Hourly (\$/Hour)	Contract Pricing (based on Zone 1)
\$0.00	\$0.00
Per Service 250 - \$ \$746.25	500 - \$ \$746.25
1000 - \$ \$746.25	2000 - \$ \$746.25
<input checked="" type="checkbox"/> Zone 1 (0-25 Miles) \$ 110.00	<input type="checkbox"/> Zone 2 (26 - 50 Miles) \$ 220.00
<input type="checkbox"/> Zone 3 (51 - 75 Miles) \$ 330.00	<input type="checkbox"/> Zone 4 (76 - 100 Miles) \$ 440.00
<input type="checkbox"/> Other	

Contract Term: Beginning Date: 2/13/2006 End Date: 8/13/2006  
Total Contract Price: \$0.00

**Customer Responsibilities:**  
Perform all 10, 50 and 100 hour scheduled maintenance.  
Provide and add daily make-up fluids as required.  
Provide access to machine to install and remove Satellite Communication Hardware  
Report current machine hours to Puckett Machinery Co. Every 2 Weeks. \*

**Dealer Responsibilities:**  
Provide scheduled maintenance per factory recommendations at the 250-hour interval.  
Properly dispose of used oil and filters.  
Maintain service records.  
Perform visual machine inspections during scheduled service to identify and report readily observable equipment deficiencies.

**Customer Authorization:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
**Customer Contact:** \_\_\_\_\_ **Phone:** \_\_\_\_\_  
**Contract P. O. Number:** \_\_\_\_\_ **Phone:** \_\_\_\_\_  Cell  Fax  
**PMC Representative:** \_\_\_\_\_ **E-Mail:** \_\_\_\_\_



**Maintenance:**  
Provide scheduled maintenance at the 250-hour interval. Services performed may vary depending on the machine model, serial number and arrangement.

**250-Hour Service**  
Change fuel filter  
Change Engine Oil & Filter  
Scheduled Fluid Analysis  
Change Outer Air Filter  
Visual Inspection of Machine

**500-Hour Service**  
250 Hour Service Plus:  
Change Transmission Filter  
Change Inner Air Filter

**1000-Hour Service**  
500 Hour Service Plus:  
Change Hydraulic Filter  
Change Transmission Fluid

**2000-Hour Service**  
1000 Hour Service Plus:  
Change Hydraulic Fluid

**What's Included:**  
Disposal of all waste oil and filters.  
Written machine inspection report.  
Documented maintenance history  
Travel time & mileage (25 mile radius)

**What's not included:**  
Daily inspections  
Top-off fluids (between scheduled services)

**Satellite Communication Hardware**  
On machines where Puckett Machinery Co. provides Satellite Communication Hardware, that hardware remains the property of Puckett Machinery Co. When the contract terminates, the Satellite Communication Hardware must be removed (at Puckett Machinery Company's expense) and returned to Puckett Machinery Co.

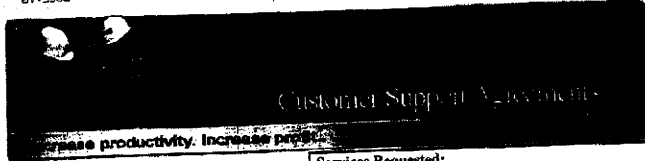
**\*Customer Responsibilities**  
Report service hour meter reading to Puckett Machinery Co. every two weeks. Puckett Machinery Co. will not be held liable for any failure caused by lack of Preventative Maintenance if the above-mentioned customer does not report the machine hour meter reading at least every two weeks.  
Replace Hour Meter if at any time it stops functioning.

**Termination:**  
Either party can terminate this agreement with a thirty day written notice.

**Limitation of Liability:**  
The undersigned acknowledges that the responsibilities of Puckett Machinery Co. are limited to the servicing of the equipment as outlined herein and does not guarantee the detection or replacement of worn out, defective or malfunctioning parts. In no event shall Puckett Machinery Co. be liable for any direct, indirect, special, incidental or consequential damages, such as, but not limited to, loss of anticipated profits or other economic loss in connection with, or arising from the furnishing, functioning or use of any items of equipment or services provided in this agreement.







CITY OF PETTICAT  
MINUTE BOOK 25

EXHIBIT "B"

443

Customer: City of Petal  
 Acct No.:  
 Make: CAT  
 Model: 315C  
 S/N: CJC02651  
 Equip. #:  
 Hrs/SMU:  
 Location:

**Services Requested:**  
 Maintenance Only  
 Maintenance and Repair  
 Kidney Loop  
 Hydraulic Tune-Up

**Billing Preference:**  
 Financed (CSA Price added to Machine Price)  
 Hourly (Billed Monthly Based on Hours Used)  
 Contract Pricing (Average Cost of 8 Services)  
 Per Service (Flat Rate Price of Individual Service)  
 Other

Contract Pricing: (Based on 30 months or 2,000 hours of maintenance - whichever comes first)  
 no time requirement) \$0.00

hour	\$0.00	Contract Pricing (based on Zone 1)	\$0.00
------	--------	------------------------------------	--------

Per Service: 250 - \$ \$580.00    500 - \$ \$580.00  
 1000 - \$ \$580.00    2000 - \$ \$580.00

Zone 1 (0-25 Miles) \$ 110.00     Zone 2 (26 - 50 Miles) \$ 220.00     Other  
 Zone 3 (51 - 75 Miles) \$ 330.00     Zone 4 (76 - 100 Miles) \$ 440.00

Contract Term: Beginning Date: 2/13/2006    End Date: 8/13/2008  
 Total Contract Price: \$0.00

**Customer Responsibilities:**  
 Perform all 10, 50 and 100 hour scheduled maintenance.  
 Provide and add daily make-up fluids as required.  
 Provide access to machine to install and remove Satellite Communication Hardware  
 Report current machine hours to Puckett Machinery Co. Every 2 Weeks. \*

**Dealer Responsibilities:**  
 Provide scheduled maintenance per factory recommendations at the 250-hour interval.  
 Properly dispose of used oil and filters.  
 Maintain service records.  
 Perform visual machine inspections during scheduled service to identify and report readily observable equipment deficiencies.

Customer Authorization: \_\_\_\_\_ Date: \_\_\_\_\_  
 Customer Contact: \_\_\_\_\_ Phone: \_\_\_\_\_  Cell  Fax  
 Contract P. O. Number: \_\_\_\_\_ E-Mail: \_\_\_\_\_  
 PMC Representative: \_\_\_\_\_

Scheduled maintenance at the 250-hour interval. Services performed may vary depending on the machine model, serial number and arrangement.

- 250-Hour Service**  
 Change fuel filter  
 Change Engine Oil & Filter  
 Scheduled Fluid Analysis  
 Change Outer Air Filter  
 Visual Inspection of Machine

- 500-Hour Service**  
 250 Hour Service Plus:  
 Change Transmission Filter  
 Change Inner Air Filter

- 1000-Hour Service**  
 500 Hour Service Plus:  
 Change Hydraulic Filter  
 Change Transmission Fluid

- 2000-Hour Service**  
 1000 Hour Service Plus:  
 Change Hydraulic Fluid

- What's Included:**  
 Disposal of all waste oil and filters.  
 Written machine inspection report.  
 Documented maintenance history  
 Travel time & mileage (25 mile radius)

- What's not Included:**  
 Daily Inspections  
 Top-off fluids (between scheduled services)

**Satellite Communication Hardware**  
 On machines where Puckett Machinery Co. provides Satellite Communication Hardware, that hardware remains the property of Puckett Machinery Co. When the contract terminates, the Satellite Communication Hardware must be removed (at Puckett Machinery Company's expense) and returned to Puckett Machinery Co.

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 Replace Hour Meter if at any time it stops functioning.

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841 MAIN STREET  
P. O. BOX 1310  
HATTIESBURG, MISSISSIPPI 39403-1310

February 16, 2006

BOARD OF SUPERVISORS

DAVID ALLEN  
DISTRICT 1

CHARLES MARSHALL  
DISTRICT 2

LYNN CARTLIDGE  
DISTRICT 3

RODERICK WOLLARD  
DISTRICT 4, VICE PRESIDENT

BILLY HUDSON  
DISTRICT 5, PRESIDENT

Carl Scott, Mayor  
City of Petal  
P. O. Box 564  
Petal, MS 39465

RE: EAST PETAL PRECINCT

Dear Mayor Scott:

The Help America Vote Act of 2002 (HAVA) requires that all polling places must be accessible to all disabled citizens in accordance with the Americans with Disabilities Act. Forrest County has received an ACCESS grant from the Secretary of State's Office to assist the County with reimbursements for the required improvements. These improvements will come at no cost to your organization.

Forrest County will be using Diebold Voting Machines at all voting precincts. The County needs to access the electrical outlets and available voltage for the voting area at your precinct. If you have a point of contact regarding the electrical system for your building, please provide that information to Curtis Elliott, Forrest County Maintenance Supervisor at 601-270-6077. Mr. Elliott will need to do an electrical inspection of the voting area to determine if additional voltage is needed to run the voting machines.

Listed below are the improvements that must be implemented to ensure your polling place meets HAVA standards.

- Strip eight handicapped parking areas and put appropriate signage for each accessible parking space.
- Make needed electrical upgrades to operate new Diebold Voting Machines.

PHONE (601) 545-8000  
FAX (601) 545-8095

JEFFREY T. HOLLIMON  
ATTORNEY

MICHAEL SUMRALL  
COUNTY ADMINISTRATOR  
CHIEF FINANCIAL OFFICER

EXHIBIT "C" If these improvements are accepted by you, please provide your signature below. Thank you for your assistance with this most important matter.

Sincerely,

Billy Hudson, President  
Board of Supervisors

BH/rc

Approved by:

Carl Scott, Mayor

2/21/06

Date



## CITY OF PETAL

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

CARL SCOTT  
MAYOR

DAVID CLAYTON  
KAY FAIRLEY  
JAMES MOORE  
STEVE STRINGER  
LIESA WEAVER  
ALDERMEN

JEAN ISHEE  
CITY CLERK

THOMAS W. TYNER  
CITY ATTORNEY

Date: February 8, 2006

To: Liesa Weaver  
Steve Stringer  
James Moore  
Kay Fairley

From: Carl Scott

Re: Veto

Pursuant to State law anytime I exercise my power to veto a board decision, I must provide to you in writing why I took such action within fourteen days. While I truly understand this board's desire to clean up this City utilizing all available options, goals that I too share, I cannot see taking an approach that penalizes those taxpayers who willingly comply with our codes and ordinances at their own expense and utilizing taxpayer money to assist those that for reasons of their own refuse to comply. I am of the belief that our worst violators have willingly chosen to not play by the rules of which they are well aware simply because no one ever had the intestinal fortitude to ensure compliance.

Likewise, I believe that there exist a segment of individuals that for one reason or another has been put in a situation that places them out of compliance. Given adequate justification, I think we could examine these issues on a case-by-case basis and commit our city resources to seek acceptable resolutions as a definitive need is demonstrated.

I will make myself available to you anytime you wish to discuss this matter in further detail and hope you understand my position on this issue.

cc: Tom Tyner

The Mayor and Board of Aldermen of the City of Petal, Mississippi (the "City"), took up for further consideration the matter of the issuance of General Obligation Bonds, Series 2006, of said City, in the principal amount of Five Million Dollars (\$5,000,000). After a discussion of the subject, Alderman WEAVER offered and moved the adoption of the following resolution:

**CITY OF PETAL** "Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, and herein designated by the Governing Body.  
**MINUTE BOOK 25**

**EXHIBIT "E"**

**RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2006, OF THE CITY OF PETAL, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF FIVE MILLION DOLLARS (\$5,000,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR ERECTING MUNICIPAL BUILDINGS, COMMUNITY CENTERS, PREPARING AND EQUIPPING ATHLETIC FIELDS, AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; PURCHASING LAND FOR PARKS AND PUBLIC PLAYGROUNDS, AND IMPROVING, EQUIPPING AND ADORNING THE SAME, INCLUDING THE CONSTRUCTING, REPAIRING AND EQUIPPING OF RECREATIONAL FACILITIES; PROTECTING THE CITY, ITS STREETS AND SIDEWALKS FROM OVERFLOW, CAVING BANKS AND OTHER LIKE DANGERS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; AND PURCHASING FIRE-FIGHTING EQUIPMENT AND APPARATUS, AND PROVIDING HOUSING FOR SAME, AND PURCHASING LAND THEREFOR; PURCHASING MACHINERY AND EQUIPMENT WEIGHING MORE THAN TWELVE THOUSAND (12,000) POUNDS AND WHICH HAVE AN EXPECTED USEFUL LIFE IN EXCESS OF TEN YEARS, WHICH EXPECTED USEFUL LIFE EXCEEDS THE LIFE OF THE BONDS ISSUED TO FINANCE SUCH PURCHASE; AND FOR OTHER PURPOSES AUTHORIZED BY MISSISSIPPI CODE SECTION 21-33-301.**

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.

"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 \$5,000,000 General Obligation Bonds, Series 2006, 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.

"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 22 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 providing funds for erecting municipal buildings, community centers, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing land for parks and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of recreational facilities; protecting the City, its streets and sidewalks from overflow, caving banks and other like dangers; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment weighing more than twelve thousand (12,000) pounds and which have an expected useful life in excess of ten years, which expected useful life exceeds the life of the bonds issued to finance such purchase; and for other purposes authorized by Mississippi Code Section 21-33-301.

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

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"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.

"2006 Bond Fund" shall mean the City of Petal, Mississippi General Obligation Bonds, Series 2006, 2006 Bond Fund provided for in Section 12 hereof.

"2006 Construction Fund" shall mean the City of Petal, Mississippi General Obligation Bonds, Series 2006, 2006 Construction Fund provided for in Section 13 hereof.

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

2. Heretofore, on the 6th day of September, 2005, 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 2006, OF SAID CITY IN THE MAXIMUM PRINCIPAL AMOUNT OF NOT TO EXCEED FIVE MILLION DOLLARS (\$5,000,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR ERECTING MUNICIPAL BUILDINGS, COMMUNITY CENTERS, PREPARING AND EQUIPPING ATHLETIC FIELDS, AND PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; PURCHASING LAND FOR PARKS AND PUBLIC PLAYGROUNDS, AND IMPROVING, EQUIPPING AND ADORNING THE SAME, INCLUDING THE CONSTRUCTING, REPAIRING AND EQUIPPING OF RECREATIONAL FACILITIES; PROTECTING THE CITY, ITS STREETS AND SIDEWALKS FROM OVERFLOW, CAVING BANKS AND OTHER LIKE DANGERS; CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; AND PURCHASING FIRE-FIGHTING EQUIPMENT AND APPARATUS, AND PROVIDING HOUSING FOR SAME, AND PURCHASING LAND THEREFOR; PURCHASING MACHINERY AND EQUIPMENT WEIGHING MORE THAN TWELVE THOUSAND (12,000) POUNDS AND WHICH HAVE AN EXPECTED USEFUL LIFE IN EXCESS OF TEN YEARS, WHICH EXPECTED USEFUL LIFE EXCEEDS THE LIFE OF THE BONDS ISSUED TO FINANCE SUCH PURCHASE;

AND FOR OTHER PURPOSES AUTHORIZED BY MISSISSIPPI CODE SECTION 21-33-301; AND DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION" wherein the Governing Body found, determined and adjudicated that it is necessary that Bonds of the City be issued in the amount, for the purpose and secured as aforesaid, declared its intention to issue said Bonds, and fixed 7:00 o'clock p. m. on October 18, 2005, as the date and hour on which it proposed to direct the issuance of said Bonds, on or prior to which date and hour any protests to be made against the issuance of such Bonds were required to be filed.

3. As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in the *Petal News*, a newspaper published in and of general circulation in the City, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty-one (21) days prior to October 18, 2005, 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 September 22 and 29 and October 6 and 13, 2005, as evidenced by the publisher's affidavit heretofore presented and filed.

4. On or prior to 7:00 o'clock p.m. on October 18, 2005, 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 21st day of February, 2006, the Governing Body adopted a resolution entitled:

**RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF FIVE MILLION DOLLARS (\$5,000,000) GENERAL OBLIGATION BONDS, SERIES 2006, OF THE CITY OF PETAL, MISSISSIPPI.**

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

7. The assessed value of taxable property within the City, according to the last completed assessment for taxation, is Sixty-Six Million Forty-Six Thousand Three Hundred Fourteen Dollars (\$66,046,314); 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 Three Million Three Hundred Eighty-Five Thousand Dollars (\$3,385,000), 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 Three

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Million Three Hundred Eighty-Five Thousand Dollars (\$3,385,000); 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 benefit of the Registered Owners of any and all of the Bonds, all of which, regardless of the number of 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 Five Million Dollars (\$5,000,000) 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 April 1, 2006; 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, payable on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing April 1, 2007; and shall mature and become due and payable on April 1 in the years and in the principal amounts as follows:

**CITY OF PETAL  
MINUTE BOOK 25**

**EXHIBIT "E"**

<u>YEAR</u>	<u>AMOUNT</u>
2007	\$160,000
2008	165,000
2009	175,000
2010	180,000
2011	190,000
2012	200,000
2013	210,000
2014	215,000
2015	225,000
2016	235,000
2017	250,000
2018	260,000
2019	270,000
2020	285,000
2021	295,000
2022	310,000
2023	320,000
2024	335,000
2025	350,000
2026	370,000

(c) Bonds maturing on April 1, 2017 and thereafter, are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole on any date on or after April 1, 2016, or in part, in inverse order of maturity and by lot within a maturity on April 1, 2016, or on any Interest Payment Date thereafter.

(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, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of

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

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

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

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

(f) Bonds, blank as to denomination, rate of interest, date of maturity and 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. 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

EXHIBIT "E"

(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:

[remainder of page left blank intentionally]

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.

(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.

[BOND FORM]

UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI  
CITY OF PETAL, MISSISSIPPI  
GENERAL OBLIGATION BOND  
SERIES 2006

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

Rate of Interest \_\_\_\_\_ Maturity \_\_\_\_\_ Date of Original Issue \_\_\_\_\_ CUSIP \_\_\_\_\_

Registered Owner: \_\_\_\_\_ April 1, 2006

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 \_\_\_\_\_, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Bonds, Series 2006, 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 \_\_\_\_\_, Mississippi, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent Interest Payment Date to which interest has been paid at the rate of interest per annum set forth above, on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing April 1, 2007, 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 Five Million Dollars (\$5,000,000) to raise money for the purpose of providing fund for erecting municipal buildings, community centers, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing land for parks and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of recreational facilities; protecting the City, its streets and sidewalks from overflow, caving banks and other like dangers; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment weighing more than twelve thousand (12,000) pounds and which have an expected useful life in excess of ten years, which expected useful life exceeds the life of the bonds issued to finance such purchase; and for other purposes authorized by Mississippi Code Section 21-33-301.

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 February 21, 2006 (the "Bond Resolution").

Bonds maturing on April 1, 2017 and thereafter, are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole on any date on or after April 1, 2016, or in part, in inverse order of maturity and by lot within a maturity on April 1, 2016, or on any Interest Payment Date thereafter.

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 efit or security under the Bond Resolution until the certificate of registration and tication hereon shall have been signed by the Transfer Agent.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, d 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 April, 2006.

CITY OF PETAL, MISSISSIPPI  
BY: [Signature]  
Mayor

COUNTERSIGNED:  
[Signature]  
City Clerk  
(facsimile seal)

CITY OF PETAL  
MINUTE BOOK 25

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 2006, 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 \_\_\_, 2006.

(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 manner, without any alteration whatever.

Signatures guaranteed:

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

(Authorized Officer)

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

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

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

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

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

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

EXHIBIT "E"

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

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

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

SECTION 12. (a) The City hereby establishes the 2006 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 2006 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 2006 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 2006 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 2006 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 2006 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 2006 Construction Fund. Any income received from investment of monies in the 2006 Construction Fund shall be deposited in the 2006 Construction Fund or the 2006 Bond Fund for the payment of debt service on the Bonds during the construction period for

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

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

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

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

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

SECTION 17. The City represents as follows:

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

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

(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. The City hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code ("Rebate") in the manner described in Regulation §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds. In accordance therewith, the City shall:

(a) Within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year" (which shall be the five-year period ending on the date five years subsequent to the date of the closing, unless another date is selected by the Mayor and Board of Aldermen of the City, and each succeeding fifth "bond year"), and within sixty (60) days of the date the last bond that is part of the Bonds is discharged the City shall (i) calculate, or cause to be calculated, the "rebate amount" as of each "computation date" or the "final computation date" attributable to any investment in "investment-type property" made by the City, of "gross proceeds" of the Bonds, and (ii) remit the following to the United States Treasury within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year": (A) an amount of money equal to such "rebate amount" (treating for purposes of such calculation any previous payments made to the United States Treasury on account of such "rebate amount" as if the payment on any such date was an "expenditure" constituting a "rebate payment"), (B) the calculations supporting the amount of "rebate amount" attributable to any investments in "investment-type property" made by the City of gross proceeds of the Bonds and (C) any other information required to comply with Section 148 of the Code.

(b) The City shall keep accurate records of each investment-type property (as that term is defined in Section 148(b) of the Code), if any, acquired, directly or indirectly, with "gross proceeds" of the Bonds and each expenditure it makes with "gross proceeds". Such records shall include the purchase price, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively realized on disposition, disposition date, and evidence of the "fair market value" of such property on the purchase date and disposition date (or deemed purchase or disposition date), for each item of such "investment-type property".

SECTION 19. 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, 2006 to December 31, 2006, 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 19, 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 20. The City hereby agrees for the benefit of the holders and beneficial owners of the Bonds for so long as it remains obligated to advance funds to pay the Bonds to provide timely notice of specified material events and other information upon request, to certain information vendors as set forth in this Section. This information will be available to securities brokers and others who subscribe to receive the information from the vendors.

The City will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION" and other financial information set forth in APPENDICES C and D of the Official Statement. The City will update and provide this information within six months after the end of each fiscal year of the City ending in or after 2006. The City will provide the updated information to each nationally recognized municipal securities information repository ("NRMSIR") and to any state information depository ("SID") that is designated by the State of Mississippi and approved by the staff of the United States Securities and Exchange Commission (the "SEC").

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Securities Exchange Act 15c2-12 (the "SEC Rule 15c2-12"). The updated information will include audited financial statements, if the City's audit is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles promulgated by the State of Mississippi or such other accounting principles as the City may be required to employ from time to time pursuant to law or regulation.

The City's current fiscal year end is September 30. Accordingly, upon request, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change.

Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 119 West 8th Avenue, Petal, Mississippi 39465 Telephone Number: (601) 345-1776.

The City will provide timely notices of certain events to certain information vendors. The City will provide notice of any of the following events with respect to the Bonds, if such event is material to a decision to purchase or sell Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to



perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes. Neither the Bonds nor this Bond Resolution makes any provisions for debt service reserves. In addition, the City will provide timely notice of any failure by the City to provide information in accordance with its agreement described above under paragraph 1 of this Section. The City will provide each notice described in this paragraph to any SID and to either each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB").

MINUTE BOOK 25

EXHIBIT "E"

SECTION 22. 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 *Petal News*, a newspaper published in and of general circulation in the City, the first publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of bids. The Notice shall be in substantially the following form:

[remainder of page left blank intentionally]

The City has agreed to provide the foregoing information to NRMSIRs or the MSRB and any SID. The information will be available to holders of Bonds only if the holders comply with the procedures and pay the charges established by such information vendors or obtain the information through securities brokers who do so.

The City has agreed to provide information upon request and to provide notices of material events only as described in this Section. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described herein. The City makes no representation or warranty concerning such information concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City aims any contractual or tort liability for damages resulting in whole or in part from any of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the City, (2) the agreement, as amended, would have complied with SEC Rule 15c2-12 at the date of sale of the Bonds, taking into account any amendments or interpretations of the SEC Rule 15c2-12 as well as any change in circumstance, and (3) the City receives an opinion of nationally recognized bond counsel to the effect that the amendment does not materially impair the interests of the holders and beneficial owners of the Bonds. If any such amendment is made, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

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 22 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.

NOTICE OF BOND SALE

\$5,000,000

GENERAL OBLIGATION BONDS

SERIES 2006

OF

CITY OF PETAL, MISSISSIPPI

Sealed proposals will be received by the Mayor and Board of Aldermen of the City of Petal, Mississippi (the "Governing Body" of the "City"), in its meeting place in the City Hall of the City until the hour of 7:00 o'clock p.m. on the 21st day of March, 2006, 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 Five Million Dollars (\$5,000,000) principal amount General Obligation Bonds, Series 2006, of the City (the "Bonds").

The Bonds will be dated April 1, 2006, 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 April 1 and October 1 in each year (each an "Interest Payment Date"), commencing April 1, 2007. The Bonds will mature serially on April 1 in each year and in the principal amounts as follows:

YEAR	AMOUNT
2007	\$160,000
2008	165,000
2009	175,000
2010	180,000
2011	190,000
2012	200,000
2013	210,000
2014	215,000
2015	225,000
2016	235,000
2017	250,000
2018	260,000
2019	270,000
2020	285,000
2021	295,000
2022	310,000
2023	320,000

2024	335,000
2025	350,000
2026	370,000

Bonds maturing on April 1, 2017, and thereafter, are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole at any time on or after April 1, 2016 or in part, in inverse order of maturity and by lot within a maturity on April 1, 2016, or on any Interest Payment Date thereafter.

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

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

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

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

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

The Bonds are being issued for the purpose of providing funds for erecting municipal buildings, community centers, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing land for parks and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of recreational facilities; protecting the City, its streets

CITY OF PETAL  
MINUTE BOOK  
EXHIBIT "E"

and sidewalks from overflow, caving banks and other like dangers; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor, purchasing machinery and equipment weighing more than twelve thousand (12,000) pounds and which have an expected useful life in excess of ten years, which expected useful life exceeds the life of the bonds issued to finance such purchase; and for other purposes authorized by Mississippi Code Section 21-33-301.

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 2006, 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 One Hundred Thousand Dollars (\$100,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the City as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. All proposals shall remain firm for three hours after the time specified for the opening of proposals and an award of the Bonds, or rejection of proposals, will be made by the City within said period of time.

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

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

The obligation of the purchaser to purchase and pay for the Bonds is conditioned on the delivery, at the time of settlement of the Bonds, of the following: (1) the approving legal opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Bond Counsel, to the effect that the Bonds

constitute valid and legally binding obligations of the City payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City and to the effect that the interest on the Bonds is exempt from Federal and Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986; and (2) the delivery of certificates in form and tenor satisfactory to Bond Counsel evidencing the proper execution and delivery of the Bonds and receipt of payment therefor, including a statement of the City, dated as of the date of such delivery, to the effect that there is no litigation pending or, to the knowledge of the signor 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 under SEC Rule 15c2-12, the City will deliver or cause to be delivered annually, commencing with the fiscal year of the City ending in or after 2006, to each "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"), (i) annual financial information and operating data relating to the City, including audited financial statements of the City and (ii) notice of certain events, if any, relating to the Bonds and the City, if the City deems such events to be material, as set forth in SEC Rule 15c2-12. Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 119 West 8th Avenue, Petal, Mississippi 39465 Telephone Number: (601) 545-1776.

The Preliminary Official Statement, dated February 21, 2006, has been "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to

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

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

By order of the Mayor and Board of Aldermen of the City of Petal, Mississippi, on February 21, 2006.

  
CITY CLERK

PUBLISH: March 9 and 16, 2006

SECTION 23. 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 24. Each of the following constitutes an event of default under this Bond Resolution:

- (a) failure by the City to pay any installment of principal or of 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 25. 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 our required for the sale, issuance and delivery of the Bonds.

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

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

Alderswoman Kay Fairley	voted: <u>AYE</u>
Alderman David Clayton	voted: <u>N/A</u>
Alderman Steve Stringer	voted: <u>AYE</u>
Alderswoman Liesa Weaver	voted: <u>AYE</u>
Alderman James Moore	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 Bond Resolution adopted this the 21st day of  
February, 2006.

CITY OF PETAL  
MINUTE BOOK 25

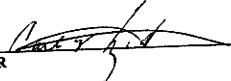
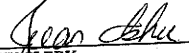
  
MAYOR

EXHIBIT "E"

ATTEST:  
  
CITY CLERK

(SEAL)

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 2006, of the City of Petal, Mississippi, in the principal amount of Five Million Dollars (\$5,000,000). After discussion of the subject, Alderman WEAVER 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 FIVE MILLION DOLLARS (\$5,000,000) GENERAL OBLIGATION BONDS, SERIES 2006, 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 7:00 o'clock p.m. on March 21, 2006, for the sale of Five Million Dollars (\$5,000,000) General Obligation Bonds, Series 2006 (the "Bonds"), of the City of Petal, Mississippi, dated April 1, 2006; 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.

CITY OF PETAL 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.

MINUTE BOOK

EXHIBIT "F"

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

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

- Alderman Kay Fairley voted: AYE
Alderman David Clayton voted: N/A
Alderman Steve Stringer voted: AYE
Alderman Liesa Weaver voted: AYE
Alderman James Moore voted: AYE

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 21st day of February, 2006.

Mayor [Signature]

ATTEST:

City Clerk [Signature] (SEAL)

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 21, 2006

NEW ISSUE

In the opinion of Butler, Snow, O'Mara, Stevens & Canaday, PLLC, Jackson, Mississippi, Bond Counsel, assuming continuing compliance by the City with the tax covenants and representations described herein, under existing law, interest on the Bonds is not includable in Federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific item of the professional under Section 57 of the Code for purposes of calculating alternative minimum tax.

\$5,000,000

GENERAL OBLIGATION BONDS, SERIES 2006 OF THE CITY OF PETAL, MISSISSIPPI

DATED: April 1, 2006

DUE: April 1, as shown below

Interest is payable semiannually on April 1 and October 1 of each year (each an "Interest Payment Date"), commencing April 1, 2007. The Bonds, in registered form and in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, will mature on April 1, with option of prior payment, in the years and principal amounts as follows:

Table with columns: YEAR OF MATURITY, PRINCIPAL AMOUNT, INTEREST RATE, PRICE OR YIELD, YEAR OF MATURITY, PRINCIPAL AMOUNT, INTEREST RATE, PRICE OR YIELD. Rows include years from 2007 to 2016 and 2017 to 2026.

Bonds maturing on April 1, 2017, and thereafter, are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole on any date on or after April 1, 2016, or in part, in inverse order of maturity and by lot within a maturity on April 1, 2016, or on any Interest Payment Date thereafter.

The Bonds are being offered for sale in accordance with the official Notice of Bond Sale, dated February 21, 2006, the form of which is attached hereto as APPENDIX B.

Sealed bids for the Bonds will be received at 7:00 o'clock p.m. on March 21, 2006, by the Mayor and Board of Aldermen of the City of Petal, Mississippi, in their meeting place in the City Hall in the City of Petal, Mississippi.

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

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

The date of this Official Statement is \_\_\_\_\_, 2006.

EXHIBIT A FORM OF PRELIMINARY OFFICIAL STATEMENT

Vertical text on the left margin: This Preliminary Official Statement is for informational purposes only and does not constitute an offer of securities. It is subject to the final approval of the legality thereof by Butler, Snow, O'Mara, Stevens & Canaday, PLLC, Jackson, Mississippi, Bond Counsel.

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

EXHIBIT "F"

CITY OF PETAL, MISSISSIPPI

TONY PHILLIPS  
MAYOR

BOARD OF ALDERMEN

KAY FAIRLEY  
DAVID CLAYTON  
STEVE STRINGER  
LIESA WEAVER  
JAMES MOORE

JEAN ISHEE  
CITY CLERK

AULTMAN, TYNER & RUFFIN, LTD.  
HATTIESBURG, MISSISSIPPI  
CITY ATTORNEY

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

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OFFICIAL STATEMENT

\$5,000,000

GENERAL OBLIGATION BONDS, SERIES 2006

OF THE

CITY OF PETAL, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the \$5,000,000 General Obligation Bonds, Series 2006, dated April 1, 2006 (the "Bonds"), of the City of Petal, Mississippi (the "City").

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

THE BONDS

Purpose and Authorization

The Bonds are being issued to provide funds for erecting municipal buildings, community centers, preparing and equipping athletic fields, and purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same; purchasing land for parks and public playgrounds, and improving, equipping and adorning the same, including the constructing, repairing and equipping of recreational facilities; protecting the City, its streets and sidewalks from overflow, caving banks and other like dangers; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment weighing more than twelve thousand (12,000) pounds and which have an expected useful life in excess of ten years, which expected useful life exceeds the life of the bonds issued to finance such purchase; and for other purposes authorized by Mississippi Code Section 21-33-301.

The Bonds will be issued pursuant to the provisions of Sections 21-33-301 through 21-33-329, Mississippi Code of 1972, as amended (the "Act"), and a Bond Resolution adopted by the Mayor and Board of Aldermen of the City (the "Governing Body") on February 21, 2006 (the "Bond Resolution").

In order to issue the Bonds, the Governing Body adopted a resolution declaring its intention to issue the Bonds and gave notice of such intention by publication of said resolution in a newspaper published in the City. If ten percent (10%), or fifteen hundred, whichever had been

less, of the qualified electors of the City had filed a written protest against the issuance of the Bonds on or before the date specified in said resolution, an election on the question of the issuance of the Bonds would have been held. October 18, 2005, was set by the Governing Body as the date on or before which written protest was required to have been filed. No written protest having been received on or before said date, the Governing Body is now authorized and empowered by the Act to issue the Bonds without the necessity of calling and holding an election on the question of the issuance thereof.

**Security**

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

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

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

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

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

The Bonds shall be dated April 1, 2006, shall be delivered in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity, shall be numbered from one upward in the order of issuance, shall be issued in fully registered form, and shall bear interest from the date thereof at the rate or rates specified herein, commencing April 1, 2007, and semiannually thereafter on April 1 and October 1 of each year.

**Redemption Provisions**

Bonds maturing on April 1, 2017, and thereafter, are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole on any date on or after April 1, 2016, or in part, in inverse order of maturity and by lot within a maturity on April 1, 2016, or on any Interest Payment Date thereafter.

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.

**TAX EXEMPTION**

**General**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to delivery of the Bonds in order that the interest on the Bonds not be included in gross income of the registered owners for federal income tax purposes under Section 103 of the Code. The certificate as to non-arbitrage and other tax matters of the City, which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with such requirements of the Code. The City agrees, covenants and represents in the Bond Resolution that it will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code, and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners for

federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

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

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

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

**Certain Federal Tax Information**

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

**Alternative Minimum Tax.** The Code imposes an alternative minimum tax with respect to individuals and corporations on alternative minimum taxable income. A 20 percent alternative corporate minimum tax is imposed on corporations (other than S corporations, regulated investment companies, real estate investment trusts or real estate mortgage investment conduits, as such terms are defined in the Code). Interest on the Bonds is not treated as a preference item in calculating alternative minimum taxable income. The Code provides, however, that the

corporation's alternative minimum taxable income is increased by 75 percent of the excess (if any) of (i) the "adjusted current earnings" of a corporation over (ii) its alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss deduction). Interest on tax-exempt obligations, including the interest on the Bonds, would generally be included in computing a corporation's "adjusted current earnings." Accordingly, a portion of any interest on the Bonds received or accrued by a corporate registered owner will be included in computing such corporation's alternative minimum taxable income for such year.

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

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

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

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

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

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

**S Corporations.** Section 1375 of the Code imposes a tax on the "excess net passive investment income" of S corporations that have Subchapter C earnings and profits at the close of

the taxable year, if more than twenty-five percent (25%) of the gross receipts of such S corporations is passive investment income. Interest on the Bonds is included in the calculation of excess net passive income.

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

#### CONTINUING DISCLOSURE

In the Bond Resolution authorizing the Bonds, the City has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under this agreement, the City will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information vendors. This information will be available to securities brokers and others who subscribe to receive the information from the vendors.

#### Annual Reports

The City will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION" and other financial information set forth in Appendices C and D. The City will update and provide this information within six months after the end of each fiscal year of the City ending in or after 2006. The City will provide the updated information to each nationally recognized municipal securities information repository ("NRMSIR") and to any state information depository ("SID") that is designated by the State of Mississippi and approved by the staff of the United States Securities and Exchange Commission (the "SEC").

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements, if the City's audit is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles promulgated by the State of Mississippi or such other accounting principles as the City may be required to employ from time to time pursuant to law or regulation.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change.

6

as any change in circumstance, and (3) the City receives an opinion of nationally recognized bond counsel to the effect that the amendment does not materially impair the interests of the holders and beneficial owners of the Bonds. If any such amendment is made, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

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

#### Compliance with Prior Undertaking

The City is in compliance with all continuing disclosure agreements executed in connection with previously issued debt subject to SEC Rule 15c2-12.

#### MISCELLANEOUS AND LEGAL INFORMATION

##### No Default on Securities

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

##### No Bond Proceeds for Current Operating Expenses

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

##### Pension Plan

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

##### No-Litigation Certificate

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

##### Validation

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

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## CITY OF PETAL MINUTE BOOK 35

Anyone requesting information under the continuing disclosure requirements of Rule 15c2-12, should contact the City Clerk, City Hall, 119 West 8th Avenue, Petal, Mississippi 39465. Telephone Number: (601) 545-1776.

## EXHIBIT "F"

#### Material Event Notices

The City will also provide timely notices of certain events to certain information vendors. The City will provide notice of any of the following events with respect to the Bonds, if such event is material to a decision to purchase or sell Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes. Neither the Bonds nor the Bond Resolution makes any provisions for debt service reserves. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under "Annual Reports." The City will provide each notice described in this paragraph to any SID and to either each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB").

#### Availability of Information from NRMSIRs or the MSRB and SID

The City has agreed to provide the foregoing information to NRMSIRs or the MSRB and any SID. The information will be available to holders of Bonds only if the holders comply with the procedures and pay the charges established by such information vendors or obtain the information through securities brokers who do so.

As of the date of this Official Statement, the State of Mississippi has not designated a SID.

#### Limitations and Amendments

The City has agreed to update information and to provide notices of material events only as described above. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the City, (2) the agreement, as amended, would have complied with SEC Rule 15c2-12 at the date of sale of the Bonds, taking into account any amendments or interpretations of the SEC Rule 15c2-12 as well

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#### Approval of Legal Proceedings

All legal matters in connection with the authorization and issuance of the Bonds are subject to the final unqualified approval of the legality thereof by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, Bond Counsel. The form of the opinion of Bond Counsel is attached hereto as APPENDIX F and will be available in final form at the time of delivery of the Bonds. No representation is made to the registered owners of the Bonds that such Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Bonds except for the matters set forth in such opinion.

#### Miscellaneous

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

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

The Preliminary Official Statement, dated February 21, 2006, has been "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the "Official Statement"). The City will make available to the successful bidder a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The successful bidder shall conform to the requirements of SEC Rule 15c2-12, including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the successful bidder if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

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CITY OF PETAL, MISSISSIPPI

EXHIBIT "F"

/s/ TONY PHILLIPS  
MAYOR

/s/ JEAN ISHEE  
CITY CLERK

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APPENDIX A  
INFORMATION ON THE CITY

ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description

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

Population

The population of the City has been recorded as follows:

7,620	8,476	7,883	7,579
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SOURCE: Census data at website: [www.census.gov](http://www.census.gov); February, 2006.

Government

The City operates under the Mayor-Board of Aldermen form of government. The governing body of the City consists of five Board members, all of whom are elected from separate wards. The Mayor, who is elected at large, and members of the Board of Aldermen are elected for concurrent four year terms. The current Mayor and members of the Board of Aldermen whose terms expire July, 2009, are:

Carl Scott	Mayor	July/2005
David Clayton	Police Officer	July/2005
Liesa Weaver	Principal	July/2005
Steve Stringer	Business Owner	July/2001
James Moore	Business Owner	July/2005
Kay Fairly	Retired	July/2005

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Transportation

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

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

Per Capita Income

2003	\$24,803	\$23,466	\$31,472	79%
2002	24,281	22,511	30,804	79
2001	23,071	21,950	30,575	75
2000	21,337	21,005	29,845	71
1999	20,318	20,053	27,939	73

SOURCE: Bureau of Economic Analysis: Regional Economic Accounts at website: [www.bea.gov](http://www.bea.gov), 1999-2003; February, 2006.

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**Major Employers**

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

Petal School District	490	Education
Service Master Cleaning Alternatives	155	Cleaning services
WalMart	98	Retail store
City of Petal	88	City government
Corner Market	54	Grocery Store
Plant Eaton/MS Power	23	Utilities
U. S. Post Office	23	Postal service

CE: Office of City Clerk, February, 2006.

**Sales**

2005	\$113,329,006
2004	106,442,964
2003	100,648,663
2002	85,594,992
2001	82,313,065

SOURCE: Annual Report for each year shown, Mississippi State Tax Commission, February, 2006.

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January	6.5%	5.4%	6.0%	6.6%	4.2%
February	5.6	4.8	5.2	5.7	3.7
March	5.8	4.8	5.2	6.0	4.0
April	5.3	4.6	5.0	5.4	3.4
May	6.1	5.4	5.6	5.8	4.1
June	7.1	6.2	6.7	6.5	4.6
July	6.0	5.8	5.7	5.8	4.5
September	6.7	6.1	5.4	5.7	5.0
September	9.4	5.3	4.6	4.9	4.5
October	6.6	6.2	5.4	5.7	5.3
November	7.1	5.5	4.6	5.1	4.9
December	6.8	5.4	4.3	5.3	5.3
Annual Average	6.6%	5.5%	5.3%	5.7%	4.5%

SOURCE: Mississippi Department of Employment Security: Labor Market Data at website: www.mdes.ms.gov; February, 2006.

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**Employment Statistics of the County**

	2000	2001	2002	2003	2004
<b>RESIDENCE BASED EMPLOYMENT</b>					
I. Civilian Labor Force	35,860	35,610	35,210	34,990	35,270
II. Unemployed	1,960	1,900	2,010	1,560	1,770
% of Civilian Labor Force	5.3%	5.3%	5.7%	4.5%	5.0%
III. Employed	33,900	33,710	33,200	33,430	33,500
<b>ESTABLISHMENT BASED EMPLOYMENT<sup>1</sup></b>					
I. Manufacturing	2,370	2,530	2,570	2,900	3,910
II. Nonmanufacturing	35,040	35,490	35,370	33,940	34,860
A. Mining	20	20	30	40	50
B. Construction	1,540	1,540	1,520	1,470	1,650
C. Transportation & Public Utilities	N/A	N/A	N/A	N/A	1,290
D. Wholesale & Retail Trade	N/A	N/A	N/A	N/A	8,930
E. Finance, Insurance & Real Estate	N/A	N/A	N/A	N/A	1,610
F. Service & Miscellaneous	N/A	N/A	N/A	N/A	9,060
G. Government	11,440	11,350	11,560	11,000	12,270
Public Education	4,890	4,870	4,840	4,260	5,580
H. Agriculture, Forestry, Fishing & Hunting	170	140	140	100	N/A
I. Transportation & Warehousing	980	1,430	1,510	1,470	N/A
J. Information	430	390	430	440	N/A
K. Finance & Insurance	1,440	1,450	1,510	1,330	N/A
L. Real Estate, Rental & Leasing	420	450	450	460	N/A
M. Professional and Business Services	2,240	1,130	1,090	960	N/A
N. Management of Companies & Entertainment	330	520	550	550	N/A
O. Admin. Support & Waste Mgmt.	1,540	1,740	1,770	1,950	N/A
P. Educational Services	330	200	280	260	N/A
Q. Health Care & Social Assistance	3,900	3,830	3,950	3,320	N/A
R. Arts, Entertainment & Recreation	220	270	270	240	N/A
S. Accommodations & Food Service	3,520	3,410	3,240	3,220	N/A
T. Other Services (except Public Admin.)	1,210	1,240	1,290	1,260	N/A
U. Utilities	350	100	100	100	N/A
V. Wholesale Trade	1,260	1,320	1,210	1,240	N/A
W. Retail Trade	4,700	4,860	4,670	4,530	N/A

SOURCE: Mississippi Department of Employment Security: Annual Averages: Labor Force and Establishment Based Employment 1990-2000 and Annual Averages: Labor Force and Establishment Based Employment 2001-Forward; Labor Market Information at website: www.mdes.ms.gov; February, 2006.

**Banking Institutions**

BancorpSouth Bank <sup>2</sup>	\$10,825,364,000
First Federal Bank for Savings <sup>3</sup>	130,193,000
Hancock Bank <sup>4</sup>	2,742,886,000
Regions Financial Corporation, Formerly known as Union Planters, National Association <sup>5</sup>	84,594,614,000
Richton Bank & Trust Company <sup>6</sup>	76,151,000
Trustmark National Bank <sup>7</sup>	7,951,182,000

SOURCE: Mississippi Bank Directory 2005-2006 Ed., Mississippi Bankers Association, February, 2006.

<sup>2</sup> Main office located in Tupelo, Mississippi.  
<sup>3</sup> Main office located in Columbia, Mississippi.  
<sup>4</sup> Main office located in Gulfport, Mississippi.  
<sup>5</sup> Main office located in Memphis, Tennessee.  
<sup>6</sup> Main office located in Richton, Mississippi.  
<sup>7</sup> Main office located in Jackson, Mississippi.

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<sup>1</sup> Establishment Based Amounts are estimates and do not include self-employed individuals, non-profit entities or religious institutions. These include a pro rata share of unclassified employment. Effective in 2001, Establishment Based Amounts are presented using the NAICS classification system.

**Educational Facilities**

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

Enrollment figures for the District for the 2005-06 scholastic year and the four preceding years are as follows:

2005-06	3,747
2004-05	3,651
2003-04	3,669
2002-03	3,664
2001-02	3,654

SOURCE: Office of the Superintendent, Petal School District; February, 2006.

**TAX INFORMATION**

**Assessed Valuation<sup>8</sup>**

2005	\$48,827,206	\$12,233,749	\$4,985,359	\$66,046,314
2004	33,582,869	18,596,570	4,298,401	56,477,840
2003 <sup>9</sup>	32,619,240	8,965,757	4,317,401	45,902,398
2002	20,485,062	8,476,030	4,798,979	33,710,071
2001	19,255,090	8,530,376	4,302,866	32,088,332

SOURCE: Office of the City Clerk; February, 2006.

<sup>8</sup> The total assessed valuation is approved in September preceding the fiscal year of the City and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2005 will be collected starting in January, 2006 for the 2005-2006 fiscal year budget of the City.

<sup>9</sup> Increase due to reappraisal.

**CITY OF PETAL** Assessed valuations are based upon the following assessment ratios:  
**MINUTE BOOK #25** Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value;

**EXHIBIT "F"**

- (b) Single-family owner-occupied residential real property, 10 percent of true value;
- (c) Motor vehicles and public utility property, 30 percent of true value.

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

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

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

Midstream Combination	\$765	12/31/05
Total	\$765	

SOURCE: Office of the City Clerk; February, 2006.

**Procedure for Property Assessment**

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

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

assessment rolls for its assessment purposes. The City is utilizing the assessment rolls of the County.

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

**Tax Levy Per \$1,000 Valuation<sup>10</sup>**

General Purpose	31.00	28.16	29.61	30.95	29.64
Debt Service	0.00	0.00	0.00	0.00	0.00
Library Fund	1.14	1.50	1.50	2.00	2.00
G.O. Bonds	6.00	4.26	2.81	3.89	5.04
Total	38.14	33.92	33.92	36.84	36.68

SOURCE: Office of the City Clerk; February, 2006.

**Ad Valorem Tax Collections**

2005	\$1,400,000	\$1,624,615	\$224,615
2004	1,347,500	1,522,526	175,026
2003	825,000	1,028,382	203,382
2002	859,000	934,307	75,207
2001	781,000	831,459	50,459

SOURCE: Office of the City Clerk; February, 2006.

<sup>10</sup> Tax levy figures are given in mills.

**Procedure for Tax Collection**

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

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

**Reappraisal of Property and Limitation on Ad Valorem Levies**

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

The statute limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On September 20, 1980, the Mississippi Supreme Court rendered its decision in *State Tax Commission v. Fondren*, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the State Tax Commission was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the State Tax Commission equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the State Tax Commission filed a master plan to assist counties in determining true value. On February 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its

previous deadline past which the State Tax Commission could not accept and approve tax rolls from counties which had not yet reappraised. The City has completed reappraisal.

**CITY OF PETALUMA**  
**MINUTE BOOK 25**

**Top Largest Taxpayers**

The ten largest taxpayers in the City for assessment year 2004, collected in fiscal year ended 2005 are as follows:

**EXHIBIT "F"**

Southern Company	\$ 3,992,574	\$ 592,298.36
Wal-mart Real Estate	1,824,075	270,602.76
Petal Gas Storage LLC	1,600,454	237,427.35
Enterprise Products	1,251,934	185,727.99
BP Amoco	943,096	139,908.29
Midstream Combustion Corp.	642,149	95,266.50
CMS Gas Transmission & Storage	353,236	52,402.56
West Odiles LLC	283,969	42,126.80
Duke Energy Marketing	311,085	46,149.46
Petal Shopping Center LLC	234,945	34,854.37
Rainbow Development Inc.	232,913	34,552.65
<b>Total:</b>	<b>\$11,670,430</b>	<b>\$1,731,317.09</b>

SOURCE: Office of the City Clerk; February, 2006.

**Homestead Exemption**

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

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

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

**DEBT INFORMATION**

**Legal Debt Limit Statement**

(as of February, 2006)

Authorized Debt Limit (Last Completed Assessment for Taxation - \$66,046,314)	\$9,906,947	\$13,209,262
Present Debt Subject to Debt Limits	3,385,000	3,385,000
Margin for Further Debt Under Debt Limits	\$6,521,947	\$ 9,824,262
Less This Offering		
Margin for further Debt Limit after Issuance of Bonds		

**Statutory Debt Limits**

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

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

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

**Outstanding General Obligation Bonded Debt Subject to Debt Limits**

(as of February, 2006)

General Obligation Bonds	06/01/01	\$ 960,000
General Obligation Bonds	07/01/04	2,425,000
<b>Total</b>		<b>\$3,385,000</b>

**Other Outstanding Long Term Debt**

(as of February, 2006)

Sewer Abatement <sup>11</sup>	1985	\$ 9,298
Certificates of Participation <sup>12</sup>	1993	155,000
Sewer Revolving Fund <sup>13</sup>	1995	579,877
Tax Increment Limited Obligation Bonds <sup>14</sup>	10/1/02	500,000
Promissory Note, Series 2005D (Hurricane Katrina Relief Program) <sup>15</sup>	1/18/06	1,000,000
Promissory Note (Petal, Mississippi Combined Water and Sewer System Project) <sup>16</sup>	2/1/06	8,500,000
<b>Total</b>		<b>\$10,744,175</b>

**CITY OF PETAL  
MINUTE BOOK 25**

**EXHIBIT "F"**

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Year	Principal	Interest	Total	Refunding Total Debt Service
2005	\$ 150,000.00	\$ 154,262.50	\$ 304,262.50	\$ 0.00
2007	155,000.00	146,762.50	301,762.50	160,000.00
2008	165,000.00	139,212.50	304,212.50	165,000.00
2009	170,000.00	131,000.00	301,000.00	175,000.00
2010	180,000.00	123,150.00	303,150.00	180,000.00
2011	185,000.00	115,410.00	300,410.00	190,000.00
2012	195,000.00	107,441.26	302,441.26	200,000.00
2013	205,000.00	99,018.76	304,018.76	210,000.00
2014	220,000.00	90,343.76	310,343.76	215,000.00
2015	230,000.00	80,798.76	310,798.76	225,000.00
2016	240,000.00	70,630.00	310,630.00	235,000.00
2017	135,000.00	60,017.50	195,017.50	250,000.00
2018	145,000.00	54,212.50	199,212.50	260,000.00
2019	150,000.00	47,832.50	197,832.50	270,000.00
2020	155,000.00	41,082.50	196,082.50	285,000.00
2021	165,000.00	33,952.50	198,952.50	295,000.00
2022	175,000.00	26,197.50	201,197.50	310,000.00
2023	180,000.00	17,885.00	197,885.00	320,000.00
2024	185,000.00	9,065.00	194,065.00	335,000.00
2025	0.00	0.00	0.00	350,000.00
2026	0.00	0.00	0.00	370,000.00
<b>Total</b>	<b>\$1,385,000.00</b>	<b>\$1,548,687.54</b>	<b>\$4,933,687.54</b>	<b>\$5,000,000.00</b>

<sup>11</sup> Loan made to the City by the Mississippi Department of Environmental Quality for various projects. The loan is paid with revenues from the combined water and sewer system (the "System") of the City.

<sup>12</sup> These certificates of participation were issued under a trust agreement, by and between the Petal Public Improvement Corporation (the "Corporation") and a trustee which certificates of participation and trust agreements are secured by a lease and option to purchase, dated February 1, 1993 (the "Lease"), by and between the City and the Corporation. The obligation of the City to make long term and additional annual payments under the Lease constitutes a binding obligation of the City in accordance with the terms of said Lease. Provided, however, so long as no default of any monetary obligation of the City has occurred, the City's obligation to pay any amounts due or perform any covenants required by or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific annual appropriation made by the City to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the City beyond such current and specific appropriation. The obligation of the City under the Lease is not a general obligation on the part of the City beyond such current and credit of the City, the State of Mississippi or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

<sup>13</sup> The SRF Loan of the State to the City is for the benefit of the System of the City. The SRF Loan has a lien on revenues of the System, however, the debt service is collected by the Mississippi State Tax Commission by diverting sales tax collections prior to remittance of the sales tax to the City.

<sup>14</sup> These bonds are payable as to principal and interest solely from the proceeds of a tax increment resulting from the taxation by the City of the "captured assessed value" of the project, and the property on which it is located, for which the improvements financed with the proceeds from these bonds benefited.

<sup>15</sup> The City entered into a \$1,000,000 loan, secured by the City's promissory note, dated January 18, 2006, with the Mississippi Development Bank (the "Bank") under its Hurricane Katrina Loan Program. This loan represented an assignment of a portion of the loan proceeds and certain other responsibilities under the documents for the loan from the Bank to the Hancock Medical Center, Hancock County, Mississippi under the Hurricane Katrina Loan Program. The City's loan is secured by lawfully available revenues including taxes which the City is entitled to receive from time to time (including, without limitation, any moneys paid by the Federal Emergency Management Agency of the United States of America ("FEMA") and which has been designated by FEMA to be paid to the City) pursuant to any agreement in possession of the Mississippi State Tax Commission, the Mississippi Office of the State Treasurer or any other State agency, department or commission created pursuant to State law. The City has drawn down the entire amount available under the promissory note. The City has not made any repayments on the loan to date.

<sup>16</sup> Loan to the City funded from the proceeds of the from the Mississippi Development Bank Bank \$8,500,000 Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006, secured by this Promissory Note under a loan agreement between the Mississippi Development Bank and the City payable from the revenues of the System of the City.

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**General Obligation Bonded Debt**

Year	2001	2002	2003	2004	2005	2006
Petal Separate School District (3/1/78)	\$ 380,000	\$ 20,000	\$ -	\$ -	\$ -	\$ -
General Obligation Sewer Refunding Bonds (3/1/89)	205,000	140,000	70,000	-	-	-
General Obligation Bonds (6/1/01)	1,200,000	1,145,000	1,085,000	1,025,000	960,000	-
General Obligation Bonds (7/1/04)	-	-	-	2,500,000	2,425,000	3,385,000
<b>Total</b>	<b>\$1,785,000</b>	<b>\$1,305,000</b>	<b>\$1,155,000</b>	<b>\$1,155,000</b>	<b>\$3,385,000</b>	<b>\$3,385,000</b>

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**Debt Ratios**

Year	Debt	Ratio
2005	\$3,385,000	5.12%
2004	3,525,000	6.35
2003	1,155,000	2.52
2002	1,305,000	3.87
2001	1,785,000	5.56

**Overlapping/Underlying General Obligation Indebtedness**

(as of January, 2006)

Entity	Debt	Amount	Ratio	
Forrest County	72,604	\$421,267,647	\$23,177,000	\$319.22

SOURCE: Office of Chancery Clerk for Forrest County; January, 2006

Entity	Debt	Amount	Ratio
Petal School District	\$118,281,744	\$0.00	

SOURCE: Superintendent's Office of School District; January, 2006

Jackson 1218518v.2

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<sup>17</sup> Calculated using interest rates set forth on bond cover.

CITY OF PETAL  
MINUTE BOOK 25

EXHIBIT "F"

NOTICE OF BOND SALE <sup>463</sup>

\$5,000,000

GENERAL OBLIGATION BONDS

SERIES 2006

OF

CITY OF PETAL, MISSISSIPPI

Sealed proposals will be received by the Mayor and Board of Aldermen of the City of Petal, Mississippi (the "Governing Body" of the "City"), in its meeting place in the City Hall of the City until the hour of 7:00 o'clock p.m. on the 21st day of March, 2006, 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 Five Million Dollars (\$5,000,000) principal amount General Obligation Bonds, Series 2006, of the City (the "Bonds").

The Bonds will be dated April 1, 2006, 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 April 1 and October 1 in each year (each an "Interest Payment Date"), commencing April 1, 2007. The Bonds will mature serially on April 1 in each year and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2007	\$160,000
2008	165,000
2009	175,000
2010	180,000
2011	190,000
2012	200,000
2013	210,000
2014	215,000
2015	225,000
2016	235,000
2017	250,000
2018	260,000
2019	270,000
2020	285,000
2021	295,000
2022	310,000
2023	320,000

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APPENDIX B

NOTICE OF BOND SALE

2024	335,000
2025	350,000
2026	370,000

Bonds maturing on April 1, 2017, and thereafter, are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole at any time on or after April 1, 2016 or in part, in inverse order of maturity and by lot within a maturity on April 1, 2016, or on any Interest Payment Date thereafter.

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

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

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

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

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

The Bonds are being issued for the purpose of providing funds for erecting municipal buildings, community centers, preparing and equipping athletic fields, and purchasing buildings therefor, and for repairing, improving, adorning and equipping the same; purchasing land and public playgrounds, and improving, equipping and adorning the same, including constructing, repairing and equipping of recreational facilities; protecting the City, its streets

and sidewalks from overflow, caving banks and other like dangers; constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; and purchasing fire-fighting equipment and apparatus, and providing housing for same, and purchasing land therefor; purchasing machinery and equipment weighing more than twelve thousand (12,000) pounds and which have an expected useful life in excess of ten years, which expected useful life exceeds the life of the bonds issued to finance such purchase; and for other purposes authorized by Mississippi Code Section 21-33-301.

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 2006, 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 One Hundred Thousand Dollars (\$100,000) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the City as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. All proposals shall remain firm for three hours after the time specified for the opening of proposals and an award of the Bonds, or rejection of proposals, will be made by the City within said period of time.

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

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

The obligation of the purchaser to purchase and pay for the Bonds is conditioned on the delivery, at the time of settlement of the Bonds, of the following: (1) the approving legal opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Bond Counsel, to the effect that the Bonds

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CITY OF PETAL  
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EXHIBIT "F"

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 under SEC Rule 15c2-12, the City will deliver or cause to be delivered annually, commencing with the fiscal year of the City ending in or after 2006, to each "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"), (i) annual financial information and operating data relating to the City, including audited financial statements of the City and (ii) notice of certain events, if any, relating to the Bonds and the City, if the City deems such events to be material, as set forth in SEC Rule 15c2-12. Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 119 West 8th Avenue, Petal, Mississippi 39465 Telephone Number: (601) 545-1776.

The Preliminary Official Statement, dated February 21, 2006, 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 (Official Statement"). The City will make available to the successful bidder a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The successful bidder shall conform to the requirements of Securities Exchange Act 15c2-12 ("SEC Rule 15c2-12"), including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the successful bidder if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

By order of the Mayor and Board of Aldermen of the City of Petal, Mississippi, on February 21, 2006.

/s/ Jean Ishoe  
CITY CLERK

PUBLISH: March 9 and 16, 2006

APPENDIX C  
BUDGETS

ADOPTED BUDGET FOR FISCAL YEAR 2005-2006

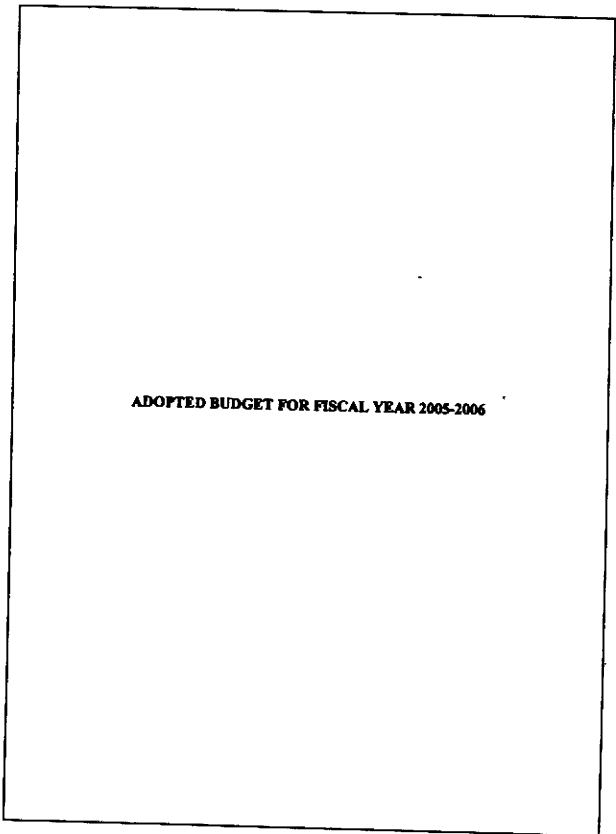


EXHIBIT "F"

ADOPTED BUDGET FOR FISCAL YEAR 2004-2005

APPENDIX D

AUDIT

FINANCIAL STATEMENT FOR FISCAL YEAR  
ENDED SEPTEMBER 30, 2004

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

BY THE CITY OF PETAL, MISSISSIPPI  
DATED AS OF APRIL 1, 2006

In Connection With the Issuance and Sale of \$5,000,000 City of Petal, Mississippi  
General Obligation Bonds, Series 2006, Dated April 1, 2006

CITY OF PETAL, MISSISSIPPI  
MINUTE BOOK 100  
"SID" shall mean any state information depository established or designated by the State of Mississippi for the purposes of the Rule. As of the date of this Continuing Disclosure Agreement, no SID has been so established or designated by the State of Mississippi.

EXHIBIT "F"

SECTION 2. Annual Reports

a. The City agrees to provide or cause to be provided to each NRMSIR and to the SID, if any, annual financial information and operation data regarding the City, commencing with information and data for the fiscal year ending September 30, 2006, as follows:

- (i) Up-dated financial information and operating data of the type contained in the Official Statement as set forth in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION," and "DEBT INFORMATION";
- (ii) Updated financial statements, which includes information on the City's general fund, capital project funds and special revenue funds, prepared in accordance with state law which utilizes the generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time, as set forth in APPENDIX D of the Official Statement; and
- (iii) Updated budgeted or estimated revenues and expenditures of the City's general fund as set forth in APPENDIX C of the Official Statement.

If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available.

b. The above-referenced information is expected to be provided by the filing of and cross reference to the City's comprehensive annual financial report, including audited financial statements, and the City's adopted budget. The information may be provided in whole or in part by cross-reference to other documents provided to any NRMSIR and the SID, if any, including official statements of the City which will be available from the MSRB.

c. Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Mississippi law applicable to cities.

SECTION 3. Timing. The above-referenced audited financial information is expected to be provided not more than 15 days after its filing with the State Department of Audit pursuant to the provisions of the Mississippi General Statutes, generally not later than six months after the

WHEREAS, the City has heretofore authorized the issuance of \$5,000,000 in the aggregate principal amount of its General Obligation Bonds, Series 2006 (the "Bonds"), to be dated April 1, 2006 and to mature in the principal amounts and on the dates set forth in the City's Official Statement, dated \_\_\_\_\_, 2006, describing the Bonds (the "Official Statement"); and

WHEREAS, the City has offered the Bonds for sale through competitive bid pursuant to its Notice of Bond Sale, dated February 21, 2006 (the "Notice of Sale"); and

WHEREAS, in the Notice of Sale the City has heretofore acknowledged that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the holders or beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), and the City desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the holders and beneficial owners of the Bonds, as they may be from time to time.

NOW, THEREFORE, THE CITY HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

SECTION 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"Listed Events" shall mean any events listed in Section 4 of this Continuing Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

"NRMSIR" shall mean any nationally recognized municipal securities information repository for purposes of the Rule.

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end of each fiscal year. The information required to be filed in Section 2 will be filed not later than six months after the end of each fiscal year. The City currently operates on a October 1 - September 30 fiscal year basis.

SECTION 4. Event Notice.

a. The City agrees to provide or cause to be provided in a timely manner to (i) each NRMSIR or to the MSRB, and (ii) the SID, if any, notice of the occurrence of any of the following events with respect to the Bonds, if material;

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions or events affecting the tax-exempt status of the security;
- (vii) modifications to rights of security holders;
- (viii) bond calls;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the securities; and
- (xi) rating changes.

SECTION 5. Notice of Failure. The City agrees to provide or cause to be provided, in a timely manner, to (i) each NRMSIR or to the MSRB, and (ii) the SID, if any, notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement.

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

SECTION 7. Agent. The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

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SECTION 8. Amendment/ Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the City may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, only if (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the City, (2) the agreement, as amended, would have complied with SEC Rule 15c2-12 at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance, and (3) the City receives an opinion of nationally recognized bond counsel to the effect that the amendment or waiver does not materially impair the interests of the holders and beneficial owners of the Bonds. A copy of any amendment will be filed in a timely manner with (i) any NRMSIR or the MSRB, and (ii) the SID, if any.

SECTION 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the City shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Indemnification. The City agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to any agent's negligence or misconduct. The obligations of the City under this Section shall survive resignation or removal of any agent and payment of the Bonds.

SECTION 11. Enforceability. The City agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of the holders or beneficial owners of the Bonds and shall be enforceable by them; provided, that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder. In the event of the City's failure to comply with any provision of this Continuing Disclosure Agreement any bondholder or beneficial owner may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Continuing Disclosure Agreement. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Continuing Disclosure Agreement constitute default of the City with respect to the Bonds.

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IN WITNESS WHEREOF, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officer, duly authorized, all as of the date first above written.

CITY OF PETAL  
MINUTE BOOK 25

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CITY OF PETAL, MISSISSIPPI

EXHIBIT "F"

By: \_\_\_\_\_  
Tony Phillips, Mayor

ATTEST:

\_\_\_\_\_  
Jean Ishee, City Clerk

APPENDIX F  
FORM OF OPINION OF BOND COUNSEL

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[FORM OF OPINION OF BOND COUNSEL]

Mayor and Board of Aldermen  
City of Petal, Mississippi

Dear Sirs:

We have acted as Bond Counsel for the City of Petal, Mississippi (the "City"), in connection with the issuance of the City of Petal, Mississippi General Obligation Bonds, Series 2006, dated April 1, 2006, in the total authorized aggregate amount of \$5,000,000 (the "Bonds").

The Bonds bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Mayor and Board of Aldermen of the City authorizing their issuance (the "Bond Resolution"). Capitalized terms not defined herein shall have the same meaning as set forth in the Bond Resolution.

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

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

Based on such examination, it is our opinion that:

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

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

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

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

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

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

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It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, liquidation and other similar law affecting creditors' rights heretofore or hereafter enacted and that the enforcement thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity.

EXHIBIT "F"

Very truly yours,

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

In rendering the foregoing opinion, Bond Counsel has assumed the continuing compliance by the City with the tax covenants and representations in the Bond Resolution and the representations in the Non-Arbitrage Certificate. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the City to comply with its covenants. Failure of the City to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue.

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

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

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

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

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

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EXHIBIT B

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

This certificate is executed in order to evidence compliance with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). All terms used herein and not defined herein shall have the meaning set forth in the Rule. The City of Petal, Mississippi (the "City"), hereby certifies as follows:

- (1) The City is required to provide certain financial information and operating data to several nationally recognized municipal securities information repositories under any Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (2) The City has fulfilled its obligations under all Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (3) A copy of the submission by the City required under the Rule for any applicable bond issues sold, issued and delivered by the City since July 1, 1995 is on file at the offices of the City Clerk of the City.

IN WITNESS WHEREOF, we have hereunto subscribed our respective official signatures and impressed hereon the seal of the City of Petal, Mississippi, this the 21st day of February, 2006.

CITY OF PETAL, MISSISSIPPI

\_\_\_\_\_  
Mayor

ATTEST:

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

(SEAL)

# CITY OF PETAL

## MISSISSIPPI

# PROCLAMATION



WHEREAS, the citizens of Petal stand firmly committed to promoting reading as the catalyst for our students' future academic success, their preparation for America's jobs of the future, and their ability to compete in a global economy; and

WHEREAS, the Petal School District and the Petal Parenting Center have provided significant leadership in the area of community involvement in the education of our youth, grounded in the principle that educational investment is key to the community's well being and long-term quality of life; and

WHEREAS, "NEA's Read Across America," a national celebration of Dr. Seuss's birthday, promotes reading and adult involvement in the education of our community's students;

THEREFORE BE IT RESOLVED that the Board of Aldermen and I, Carl L. Scott, Mayor of Petal, call on the citizens of Petal to assure that every child is in a safe place reading together with a caring adult on March 2, 2006.

NOW BE IT FURTHER RESOLVED that this body enthusiastically endorses "NEA's Read Across America" and recommits our community to engage in programs and activities to make America's children the best readers in the world.

A handwritten signature in black ink, appearing to read "Carl L. Scott".

Honorable Carl L. Scott  
Mayor, City of Petal

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