

BE IT REMEMBERED THAT THERE WAS BEGUN AND HELD THE SPECIAL MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI ON MARCH 16, 2006 IN THE COURTROOM OF SAID CITY.

THOSE PRESENT	MAYOR CARL SCOTT
ALDERMEN	KAY FAIRLEY JAMES MOORE STEVE STRINGER LIESA WEAVER
OTHERS	JASON JONES JOSHUA BOLDEN

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

WHEREAS, MAYOR SCOTT PRESENTED THE FOLLOWING RESOLUTION:

SEE EXHIBIT "A"

RESOLUTION

RESOLUTION AUTHORIZING PURCHASE OF CERTAIN
REAL PROPERTY WITH IMPROVEMENTS PRESENTLY
CONSTITUTING THE TRAILWOOD SUBDIVISION SEWER
SYSTEM AS OWNED AND OPERATED BY
FIVE R DEVELOPMENT CORPORATION

THEREUPON, ALDERMAN MOORE 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 A REQUEST TO SUSPEND JOSHUA BOLDEN IN THE WATER DEPARTMENT.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO SUSPEND JOSHUA BOLDEN TWO (2) DAYS WITHOUT PAY, MARCH 17 AND MARCH 20, 2006, DEPENDING ON COURT DATE OF APRIL 4, 2006 AND TO ALSO EXTEND HIS PROBATION PERIOD ANOTHER 6 MONTHS UNTIL NOVEMBER 9, 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

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADJOURN. 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

THEREBEING NO FURTHER BUSINESS OF THE SPECIAL MEETING OF THE MAYOR
AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON
THIS THE 16TH DAY OF MARCH, 2006.


CARL SCOTT
MAYOR

(SEAL)

ATTEST:

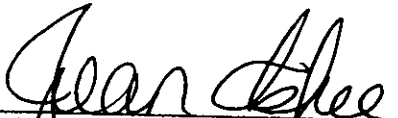

JEAN ISHEE
CITY CLERK

EXHIBIT "A"

RESOLUTION AUTHORIZING PURCHASE OF CERTAIN
REAL PROPERTY WITH IMPROVEMENTS PRESENTLY CONSTITUTING
THE TRAILWOOD SUBDIVISION SEWER SYSTEM AS
OWNED AND OPERATED BY FIVE R DEVELOPMENT CORPORATION

WHEREAS, the Mayor and Board of Aldermen of the City of Petal, Mississippi, have determined that it is authorized pursuant to the provisions of §77-3-17, et sec; §21-27-189, et sec; and §21-27-23, et sec, of the Mississippi Code of 1972, as amended, to purchase sewer systems located within the municipality and that such purchase of real property and personal property is appropriate for the City of Petal to provide needed and necessary municipal services, and;

WHEREAS, the City of Petal has obtained the appropriate appraisals, determining that the value of the property being purchased, exceeds the sum being paid to purchase said property, and;

WHEREAS, the City of Petal, a Municipal Corporation will purchase, and Five R Development Corporation, the Seller, will execute and deliver that certain Bill of Sale, a true and correct copy of which is attached hereto as Exhibit "A", and made a part hereof, and;

WHEREAS, the City of Petal and Five R Development Corporation will make a request for cancellation of a Certificate of Convenience and Necessity, in a form attached hereto as Exhibit "B", and made a part hereof, and;

WHEREAS, the Seller, Five R Development Corporation, will convey to the City of Petal, all easements within its certificated area, by conveyance attached hereto as Exhibit "C", and made a part hereof, and;

WHEREAS, the City of Petal and Five R Development Corporation will enter into that certain contract, and operating agreement, a true and correct copy of which is attached hereto as Exhibit "D" and made a part hereof;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Aldermen of the City of Petal, Mississippi, that precedent for the purchase of the real and personal property have been performed, that all appraisals have been reviewed, and that the appraisal price of said real and personal properties to be purchased exceed the amount of the purchase price.

That property of a substantial value is being donated in this exchange by Five R Development Corporation, and that City of Petal agrees to cooperate with Five R Development in order to assist Five R Development Corporation in obtaining any tax benefits for the donation to which it may be entitled from the state of Mississippi or from the United States.

IT IS, THEREFORE, ORDERED that the City of Petal pay to Five R Development Corporation the sum of five hundred thousand dollars (\$500,000.00), in exchange for the execution and delivery of the documents attached hereto as Exhibits "A", "B", "C", and "D".

The above and foregoing Resolution, having been moved for adoption, and having received a second, the following Aldermen voted "AYE":

- Alderman KAY FAIRLEY
- Alderman JAMES MOORE
- Alderman STEVE STRINGER
- Alderman LITSA WEAVER
- Alderman _____

Those Aldermen opposed to the passage and adoption of said Resolution:

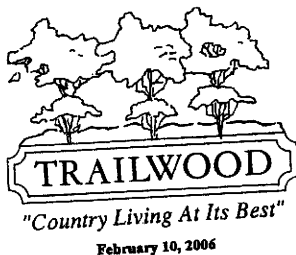
- _____ NONE
- Alderman _____
- Alderman _____
- Alderman _____
- Alderman _____

The above and foregoing Resolution having received an affirmative vote of the Board of Aldermen of the City of Petal, Mississippi, is hereby adopted and approved on this, the 17 day of March, A.D., 2006.

Carl Scott
CARL SCOTT, MAYOR

ATTEST:
Jean Ishree
JEAN ISHREE, CITY CLERK

(SEAL)



Five R Development Corporation
Tax I. D. # 64-0732451

I, the undersigned, hereby certify that I am secretary of Five R Development Corporation and that the following is a Resolution duly adopted by the Board of Directors of said Corporation at a meeting duly held on the 6th day of February 2006, at which a quorum was present; and that such resolution has not been rescinded or modified. RESOLVED, that Truman S. Roberts is hereby designated as President of the Corporation and that he has the power to execute and sign any documentation on the sale of the Trailwood sewer system's certified area to the City of Petal for \$500,000. It is further resolved that Truman S. Roberts may receive documentation from the City of Petal in order for Five R Development Corporation to receive the benefit with the United States Internal Revenue Service for the gifted portion of the transaction which is the certified area of Trailwood which has not been developed.

In WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Corporation, this 10th day of February 2006.

Respectfully,

Five R Development Corporation

Trish Burkett
Trish Burkett,
Secretary

(Corporate Seal)

EXHIBIT "A"

STATE OF MISSISSIPPI
COUNTY OF FORREST

BILL OF SALE

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00), cash in hand paid, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, FIVE R DEVELOPMENT CORPORATION, 1712 Broadway Drive, Hattiesburg, MS 39401, does hereby sell, convey, deliver, and transfer, unto the CITY OF PETAL, Post Office 564, Petal, MS 39475, all personal property, more particularly described as follows, to-wit:

1. All pipe in place, lift stations, manholes, pumps, and other in place infrastructure which is the Trailwood sewer collection system.
2. Certificate of Convenience and Necessity granted by the Mississippi Public Service Commission pursuant to an Order Granting Permanent Certificate of Convenience and Necessity attached hereto as Exhibit A.
3. All customers of the sewer system within the certified area.

FIVE R DEVELOPMENT CORPORATION, warrants only that it has clear title to the hereinabove described property and that the same is free and clear of all liens. FIVE R DEVELOPMENT CORPORATION makes no further warranties, either express or implied, as to the condition of said personal property and the CITY OF PETAL, MISSISSIPPI accepts the same in its present, as is, condition.

AGREED this the 17 day of March, A.D. 2006, and signed this the 17 day of March, A.D. 2006.

FIVE R DEVELOPMENT CORPORATION
By: Truman Roberts, President
Truman Roberts, President

EXHIBIT
A

STATE OF MISSISSIPPI

COUNTY OF Forrest

PERSONALLY appeared before me, the undersigned authority in and for said State and County, the within named, Truman Roberts, President of FIVE R DEVELOPMENT CORPORATION, who stated to me on oath that he signed, executed, and delivered the foregoing Bill of Sale as the act and deed of FIVE R DEVELOPMENT CORPORATION on the day and year therein mentioned after being first authorized so to do.

GIVEN under my hand and official seal of office on this the 17 day of March, A.D. 2006.

Joan John

Joan John, Public
Notary
My Commission Expires August 24, 2006

My Commission Expires: _____

BEFORE THE PUBLIC SERVICE COMMISSION
OF
THE STATE OF MISSISSIPPI

90-UA-0149 IN RE: APPLICATION OF FIVE R DEVELOPMENT CORPORATION AND THE CITY OF PETAL, MISSISSIPPI FOR CANCELLATION OF THE CERTIFICATE OF CONVENIENCE AND NECESSITY FOR SEWER SERVICES WITHIN A SPECIFIED AREA IN FORREST COUNTY, MISSISSIPPI, HELD BY FIVE R DEVELOPMENT CORPORATION

REQUEST FOR CANCELLATION OF CERTIFICATE

COMES NOW, Five R Development Corporation and the City of Petal, Mississippi, and request the cancellation of the Certificate of Convenience and Necessity held by Five R Development Corporation in the above-captioned matter and would show:

1. Five R Development Corporation holds a Certificate of Convenience and Necessity pursuant to an order dated July 3, 1990, a copy of which is attached hereto as Exhibit A.
2. Five R Development Corporation has sold the Certificate of Convenience and Necessity to the City of Petal, Mississippi.
3. All the certified area described in the Order is now within the City of Petal, Mississippi.
4. The City of Petal, Mississippi, has purchased the Certificate of Convenience and Necessity and the sewer system.
5. The Certificate of Convenience and Necessity held by Five R Development Corporation should be canceled.

EXHIBIT
B

THEREFORE, Five R Development Corporation and the City of Petal, Mississippi, request the cancellation of the Certificate of Convenience and Necessity hereinabove identified and attached hereto as Exhibit A.

THIS, the 17 day of March, A.D. 2006.

Five R Development Corporation

By: Truman Roberts, President
Truman Roberts, President

City of Petal, Mississippi

By: Carl Scott, Mayor
Carl Scott, Mayor

ATTEST:

Joan John
City Clerk

EXHIBIT "A"

STATE OF MISSISSIPPI
COUNTY OF FORREST

CONVEYANCE OF EASEMENTS

FOR AND IN CONSIDERATION of the sum of TEN DOLLARS (\$10.00), cash in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, FIVE R DEVELOPMENT CORPORATION, a Mississippi corporation, do hereby grant, bargain, sell, and convey, unto the CITY OF PETAL, FORREST COUNTY, MISSISSIPPI, a municipality, all utility easements for the installation, maintenance, and repair of sewer lines within its certified area being further described as follows, to-wit:

All sewer and utility easements held by Grantor within the Trailwood Subdivision development and certified area (as defined in the Order Granting Permanent Certificate of Convenience and Necessity attached hereto and made a part hereof as Exhibit A), including all easements held by it pursuant to the "Declaration of Covenants, Conditions, and Restrictions" for Trailwood Subdivision filed of record in Book 590 at page 437 of the Land Records of Forrest County, Mississippi, which includes all easements, rights-of-way, sewerlines, manholes, and other infrastructure owned by Grantor servicing Trailwood Subdivision development and the service area whether accurately described herein or not.

WITNESS my signature on this the 17 day of March, A.D. 2006.

FIVE R DEVELOPMENT CORPORATION
a Mississippi corporation
By: Truman Roberts, President
TRUMAN ROBERTS, President

STATE OF MISSISSIPPI
COUNTY OF FORREST

PERSONALLY appeared before me, the undersigned authority in and for said State and County, the within-named TRUMAN ROBERTS, President of FIVE R DEVELOPMENT CORPORATION, who acknowledged that he signed, executed, and delivered the above and foregoing instrument on the day and year therein mentioned for and on behalf of FIVE R DEVELOPMENT CORPORATION, after having been first authorized so to do.

GIVEN under my hand and official seal on this the 17 day of March, A.D. 2006.

Sean Reese
Notary Public

My Commission Expires: Mississippi Statewide Notary Public
My Commission Expires August 31, 2006

GRANTOR(S)' ADDRESS:
1712 Broadway Drive
Hattiesburg, MS 39401
601/264-2886

GRANTEE(S)' ADDRESS:
Post Office Box 564
Petal, MS 39465-0564
601/544-6981

INDEXING INSTRUCTIONS:

PREPARED BY:
William E. Andrews III, Esq.
WILLIAM E. ANDREWS, III, LAW OFFICE, PLLC
Post Office Box 130
Purvis, Mississippi 39475-0130
(601) 794-8053



BEFORE THE PUBLIC SERVICE COMMISSION
OF
THE STATE OF MISSISSIPPI

90-UA-0149
FIVE R DEVELOPMENT
CORPORATION
MC-020-1047-00

IN RE: APPLICATION OF FIVE R
DEVELOPMENT CORPORATION FOR
A CERTIFICATE OF PUBLIC
CONVENIENCE AND NECESSITY FOR
SEWER SERVICES WITHIN A
SPECIFIED AREA IN FORREST
COUNTY, MISSISSIPPI

ORDER GRANTING PERMANENT CERTIFICATE
OF CONVENIENCE AND NECESSITY

On May 4, 1980, Five R Development Corporation filed its application under the provisions of Section 5(c) of Chapter 372, Laws of 1956, as amended by Chapter 502, Laws of 1988 and Chapter 467, Laws of 1983, seeking a Certificate of Convenience and Necessity to construct, operate and maintain a sewer system in a specified area in Forrest County, Mississippi, as specifically described in the application.

It appearing to the Commission that due and proper notice of this hearing, including notice by publication, has been given in the manner and for the time required by law, including notice to the Board of Supervisors of Forrest County, Mississippi, and no protest or objection has been filed to the issuance of a Certificate of Convenience and Necessity as prayed.

The Commission, after hearing evidence, finds that:

- (1) Five R Development Corporation, a Mississippi Corporation, is a public utility within the meaning of Chapter 372, Laws of 1956, as amended by Chapter 502, Laws of 1988 and Chapter 467, Laws of 1983, and the Public Service Commission has full jurisdiction of the applicant and the subject matter.
- (2) The application as filed contains all jurisdictional requirements of the applicable law and it would be in the public interest to grant the application of said Five R Development Corporation, so as to authorize and permit it to construct, operate and maintain a sewer system to serve the hereinafter

described area.

(3) The public convenience and necessity justifies and requires the grant of this Certificate of Convenience and Necessity.

(4) No other sewer company is operating within the area hereinafter described.

(5) The applicant, Five R Development Corporation, is ready, willing and able to construct, operate and maintain a sewer system so as to render water service to the public for compensation in the area proposed to be served.

IT IS, THEREFORE, ORDERED that:

(1) The application of Five R Development Corporation be and the same be hereby granted and approved so as to authorize and permit it to construct, operate and maintain a sewer system in the area hereinafter described.

(2) The public convenience and necessity requires the grant of this certificate.

(3) Five R Development Corporation be and is hereby granted a Certificate of Convenience and Necessity under Chapter 372, Laws of 1956, as amended by Chapter 502, Laws of 1988 and Chapter 467, Laws of 1983, to construct, operate and maintain a sewer system in a specified area in Forrest County, Mississippi, more particularly described as follows, to-wit:

A parcel of land located in part of the South 1/2 of Sections 33 and 34, Township 5 North, Range 12 West, and part of Sections 3 and 4, Township 4 North, Range 12 West, all located in Forrest County, Mississippi, more particularly described as:

Commence at the Northwest corner of Section 4, and run South eighty-nine (89) degrees, fifty-nine (59) minutes, four (04) seconds East along the North line of said Section 4, 1820.48 feet to the Point of Beginning; thence South eighty-nine (88) degrees, fifty-five (55) minutes, thirty-three (33) seconds East along the North line of said Section 4, 2217.65 feet; thence North zero (00)

EXHIBIT "A"

degree, five (05) minutes, twenty-four (24) seconds East, 360.10 feet; thence North eighty-nine (89) degrees, fifty-four (54) minutes, twenty-nine (29) seconds West, 782.13 feet to the Eastern margin of a public county road (Dogwood Lane); thence North zero (00) degrees, three (03) minutes, two (02) seconds East and along the Eastern margin of said county road (Dogwood Lane) 623.79 feet to the South right-of-way line of Mississippi Highway No. 42; thence North eighty-nine (89) degrees, fifty (50) minutes, thirty-one (31) seconds East and along the said South right-of-way line of Mississippi Highway No. 42, 830.48 feet to the point of curvature of a zero (00) degree, nine (09) minutes, fifty-nine (59) second curve to the left; thence 1301.87 feet along the arc of said curve zero (00) degrees, nine (09) minutes, fifty-nine (59) seconds and along said Mississippi Highway No. 42 right-of-way which has a central angle of two (2) degree ten (10) minutes and a radius of 34,427.47 feet to the Point of tangency of said curve; thence North eighty-seven (87) degrees, forty (40) minutes, eleven (11) seconds East and along the said South right-of-way line of Mississippi Highway No. 42, 3061.75 feet to the intersection of the East line of the Southwest 1/4 of said Section 34; thence South zero (00) degrees, seven (07) minutes, fifty-nine (59) seconds East and along the East line of the said Southeast 1/4 of the Southwest 1/4 of Section 34, the East line of the Northwest 1/4 of the Northwest 1/4 of said Section 3, the East line of the Southeast 1/4 of the Northwest 1/4 of said Section 3, the East line of the Northeast 1/4 of the Southwest 1/4 of said Section 3, 5401.24 feet to the Southeast corner of said Northeast 1/4 of the Southwest 1/4, Section 3; thence South eighty-nine (89) degrees, fifty-six (56) minutes, six (06) seconds West along a fence for 788.08 feet; thence South eighty-nine (89) degrees, forty-two (42) minutes, seven (07) seconds West along said fence for 618.86 feet; thence South eighty-nine (89) degrees, thirty-nine (39) minutes, fifty-five (55) seconds West along said fence for 102.34 feet; thence South eighty-nine (89) degrees, forty-eight (48) minutes, forty-one (41) seconds West along said fence for 278.34 feet; thence South eighty-nine (89) degrees, fifty-five (55) minutes, fifty-four (54) seconds West along said fence for 252.88 feet; thence South eighty-nine (89) degrees,

thirty-eight (38) minutes, four (04) seconds West along said fence for 183.0 feet; thence South eighty-nine (89) degrees, forty-nine (49) minutes, fifty-four (54) seconds West along said fence for 225.22 feet; thence North eighty-nine (89) degrees, fifty-one (51) minutes, thirty-three (33) seconds West along said fence for 160.1 feet; thence South eighty-four (84) degrees, thirty-six (36) minutes, twenty-eight (28) seconds West along said fence for 80.14 feet to the Southwest corner of the said Northwest 1/4 of the Southwest 1/4 of Section 3; thence South zero (00) degrees, six (06) minutes, forty-four (44) seconds West and along the East line of the Southeast 1/4 of the Southeast 1/4 of said Section 4, 1324.12 feet to the Southeast corner of said Section 4; thence North eighty-nine (89) degrees, fifty-seven (57) minutes, forty-five (45) seconds West and along the South line of said Section 4, 1822.15 feet to the Southwest corner of said Southeast 1/4 of the Southeast 1/4, Section 4; thence North zero (00) degrees, one (01) minutes, fifty-four (54) seconds East and along the West line of said Southeast 1/4 of the Southeast 1/4, Section 4, 1822.78 feet to the Southeast corner of the Northwest 1/4 of the Southwest 1/4 of said Section 4; thence South eighty-nine (89) degrees, fifty-eight (58) minutes, forty-four (44) seconds West and along the South line of said Northwest 1/4 of the Southeast 1/4, Section 4, 1384.01 feet to the Southwest corner of said Northwest 1/4 of the Southeast 1/4, Section 4; thence North zero (00) degrees, fifteen (15) minutes, one (01) second East and along the West line of said Northwest 1/4 of the Southeast 1/4, 1388.28 feet to the Southeast corner of the Southeast 1/4 of the Northwest 1/4 of said Section 4; thence North eighty-nine (89) degrees, fifty-eight (58) minutes, twenty-seven (27) seconds West and along the South line of the said Southeast 1/4 of the Northwest 1/4, Section 4 and the South line of the Southwest 1/4 of the Northwest 1/4 of said Section 4, 2631.45 feet to the Southwest corner of said Southwest 1/4 of the Northwest 1/4, Section 4; thence North zero (00) degrees, four (04) minutes, eighteen (18) seconds East and along the West line

of the said Southwest 1/4 of the Northwest 1/4, Section 4, 1325.59 feet to the Northwest corner of said Southwest 1/4 of the Northwest 1/4, Section 4; thence South eighty-nine (89) degrees, fifty-eight (58) minutes, forty-seven (47) seconds East and along the North line of the said Southwest 1/4 of the Northwest 1/4, Section 4, 1318.11 feet to the Southwest corner of the Northeast 1/4 of the Northwest 1/4 of said Section 4; thence North zero (00) degrees, ten (10) minutes, twenty-seven (27) seconds East and along the West line of said Northeast 1/4 of the Northwest 1/4, Section 4, 1326.71 feet to the said Northwest corner of the Northeast 1/4 of the Northwest 1/4, Section 4, which is the Point of Beginning, said land containing 787.37 acres.

(4) IT IS FURTHER ORDERED that Five R Development Corporation will serve, without exception, all persons requesting service in the above certificated area.

(5) Nothing in this order shall affect the right of any other sewer utility to continue rendering service to any customer that it was legally serving upon the effective date of this order.

This order is effective from and after the date of issuance.

Chairman Nelson Cochran, Vice-Chairman Bo Robinson and Commissioner George T. Watson voted Aye.

ORDERED by the Commission on this the 3rd day of July, 1980.

MISSISSIPPI PUBLIC SERVICE COMMISSION

Nelson Cochran, Chairman
Bo Robinson, Vice-Chairman
George T. Watson, Commissioner

APPROVED: A True Copy
Brian U. Ray
Executive Secretary

STATE OF MISSISSIPPI
COUNTY OF FORREST

CONTRACT AND OPERATING AGREEMENT

WHEREAS, Five R Development Corporation owns a Certificate of Convenience and Necessity to operate a sewer system within a specified area in Forrest County, Mississippi; and

WHEREAS, the Order granting the Certificate of Convenience and Necessity is attached hereto as Exhibit A and the certified area is defined therein; and

WHEREAS, Five R Development Corporation has agreed to sell its Certificate, sewer system, and certified area to the City of Petal, Mississippi and the City of Petal, Mississippi has agreed to purchase the certified area and sewer system.

NOW, THEREFORE, Five R Development Corporation (Seller) and the City of Petal, Mississippi (Buyer) for mutual consideration agree as follows, to-wit:

1. Buyer warrants that it has the authority to complete this transaction.
2. Seller warrants that it has the authority to complete this transaction.
3. Buyer agrees to buy and Seller agreed to sell the Trailwood Sewer System, including its customers, certified area defined by the Mississippi Public Service Commission, pipe in place, manholes, pumps, easements, and all the undeveloped certified area, but not the lagoon servicing the sewer system.
4. The purchase price of Five Hundred Thousand Dollars (\$500,000) shall be paid by Buyer to Seller as closing.
5. Closing shall be at the law offices of William E. Andrews III located at 99 Main Street in the City of Purvis, Mississippi within 30 days on a date to be agreed upon.

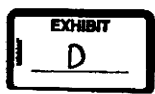


EXHIBIT "A"

6. The sale shall include the Certificate of Convenience and Necessity as granted by the Mississippi Public Service Commission pursuant to the Order attached hereto as Exhibit A. Said Order described the area to be served. Buyer is acquiring all the rights, privileges, and obligations of Seller pursuant to said Order.
7. The purchase price is being paid for the portion of the certified area that has already been developed, the infrastructure (as defined above), and customers. The portion of the certified area which has not been developed is being donated by the Seller to the Buyer as a gift. The Buyer agrees to sign the necessary documents in order to give the Seller the benefit with the United States Internal Revenue Service of the gifted portion of this transaction.
8. The sale does not include the lagoon, the real property upon which the lagoon is located, nor the equipment utilized to operate the lagoon (chlorinator, aerators, etc.) Subject to the terms of this Agreement regarding continued operation of the lagoon, Five R Development Corporation will be responsible for the abandonment and closing of the lagoon according to the Mississippi Department of Environmental Quality regulations and requirements.
9. Sellers agrees to continue to operate its sewer lagoon for up to one (1) year (from the date of this Agreement) to allow Buyer time to establish infrastructure necessary to transport the wastewater to the City of Petal, Mississippi treatment facility. Buyer agrees to pay Seller the sum of One Thousand Five Hundred Dollars (\$1,500) per month to continue to operate the lagoon for each month of operation until the transfer of the wastewater to the City of Petal, Mississippi

treatment facility. Seller will provide monitoring, chlorine, electricity for aerators, and sampling. If, during the period of operation by Seller, repairs are required to the aerators or other equipment, Buyer shall reimburse Seller the actual cost of the repairs.

10. Buyer and Seller agree to execute a request to the Mississippi Public Service Commission to cancel the Certificate of Convenience and Necessity currently held by Five R Development Corporation.
11. Seller will remit to Buyer any service fees collected for service ~~after~~ April 1, 2006 and, likewise, Buyer will remit to Seller any service fees collected for service ~~prior~~ to April 1, 2006.
12. The transfer shall be effective April 1, 2006.

WITNESS our signatures on this, the 17 day of March, A.D.

2006.

Five R Development Corporation

By: Truman Roberts, President
Truman Roberts, President

City of Petal, Mississippi
By: Carl Scott, Mayor
Carl Scott, Mayor

ATTEST:
Jan Asher
City Clerk

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