

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 MARCH 21, 2006 AT 7:00 P.M. IN THE COURTROOM OF SAID CITY.

THOSE PRESENT	MAYOR CARL SCOTT
CITY ATTORNEY	THOMAS W TYNER
ALDERMEN	KAY FAIRLEY JAMES MOORE STEVE STRINGER LIESA WEAVER
OTHER PRESENT	DOUG KING CINDY HOLLAND JASON JONES C J TROXLEY AND MANY OTHERS

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

THE INVOCATION WAS OFFERED BY ROBERT PERRY.

THE PLEDGE OF ALLEGIANCE WAS RECITED.

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

- V. SPECIAL MEETING OF MARCH 20, 2006
- VII. BIDS-QUOTES
  - 3. REQUEST TO ACCEPT BID FROM LEE'S ELECTRIC FOR BALLPARK LIGHTING IN AMOUNT OF \$359,542.00
- VIII. OLD BUSINESS
  - 1. OMIT
- IX. GENERAL BUSINESS
  - 14. OMIT
  - 20. REQUEST TO ACCEPT THE RESIGNATION OF OFFICER DAVID BASSETT EFFECTIVE APRIL 4, 2006.
  - 21. REQUEST TO ACCEPT THE RESIGNATION OF EDGAR MOORE IN THE RECREATION DEPARTMENT EFFECTIVE MARCH 20, 2006.
  - 22. REQUEST TO ACCEPT EMERGENCY PROPOSAL FROM SHOWS, DEARMAN & WAITS, INC FROM SUNCOAST INFRASTRUCTURE TO INSTALL SEWER LINE ON 3 MILE CUT-OFF IN AMOUNT OF \$95,766.00.
  - 23. REQUEST TO ADVERTISE FOR PARKS/GROUND MAINTENANCE.
- X. SEMINAR AND TRAVEL
  - 1. OMIT
- XI. ORDERS & ORDINANCES
  - 1. REQUEST TO PROMOTE DONTAY HAMLIN TO PARK AND GROUNDS SUPERVISOR AT \$8.29 PER HOUR EFFECTIVE MARCH 22, 2006.
  - 2. REQUEST TO MOVE JOSH YOUNG FROM PART-TIME TO FULL-TIME IN THE RECREATION DEPARTMENT EFFECTIVE APRIL 10, 2006.
  - 3. REQUEST TO HIRE TED CARTER IN THE STREET DEPARTMENT AT A RATE OF \$7.50 PER HOUR EFFECTIVE MARCH 29, 2006.
- XII. RESOLUTION & PROCLAMATIONS
  - 1. REQUEST TO ADOPT RESOLUTION FOR EXECUTED SALES RESOLUTION OF \$5,000,000 GENERAL OBLIGATION BOND.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADOPT THE AGENDA WITH THE FOREGOING CHANGES. 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 MINUTES OF THE REGULAR MEETING OF MARCH 7, 2006, SPECIAL MINUTES OF MARCH 6, 2006, SPECIAL MINUTES OF MARCH 16, 2006 AND SPECIAL MINUTES OF MARCH 20, 2006.

THEREUPON, ALDERMAN WEAVER MADE A MOTION THAT THE MINUTES OF THE REGULAR MEETING OF MARCH 7, 2006, SPECIAL MINUTES OF MARCH 6, 2006, SPECIAL MINUTES OF MARCH 16, 2006, AND THE SPECIAL MINUTES OF MARCH 20, 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.

WHEREAS, THE HOUR OF 7:00 P.M. HAVING ARRIVED, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, PUBLICLY OPENED AND READ THE SEALED BIDS FOR A USED TRUCK TRACTOR.

SEE EXHIBIT "A"

BIDS

USED TRACTOR TRUCK

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE BID FROM TRI-STATE IN THE AMOUNT OF \$38,500.00. 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, THE HOUR OF 7:00 P.M. HAVING ARRIVED, THE MAYOR AND BOARD OF ALDERMEN PUBLICLY OPENED AND READ THE SEALED BIDS FOR \$5.0 MILLION GENERAL OBLIGATION BOND.

SEE EXHIBIT "B"

BIDS

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE BID FROM DUNCAN WILLIAMS AT A RATE OF 4.049774%. 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 SHOWS, DEARMAN & WAITS, INC TO ACCEPT THE BID FROM LEE'S ELECTRIC FOR BALLPARK LIGHTING IN THE AMOUNT OF \$359,542.00

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ACCEPT THE BID FROM LEE'S ELECTRIC FOR BALLPARK LIGHTING IN THE AMOUNT OF \$359,542.00. 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, C J TROXLER ADDRESSED THE MAYOR AND BOARD OF ALDERMEN REQUESTING TO PLACE A BUSINESS AT 729 S MAIN STREET IN FRONT OF CRAIGS HEATING AND AIR. MR TROXLER STATED THAT HE WOULD LIKE TO PLACE A TRAILER ON THE LOT TO SELL CRAWFISH AND EVENTUALLY BUILD A PERMANENT BUILDING WITHIN SIX MONTHS.

THEREUPON, ALDERMAN MOORE REQUESTED THAT HE BRING BACK SOME PLANS ON THE PROPOSED PERMANENT BUILDING TO PRESENT TO THE BOARD ON MARCH 27, 2006.

WHEREAS, MAYOR SCOTT PRESENTED THE RESIGNATION OF JAMES LUCAS IN THE CIVIC CENTER.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ACCEPT THE RESIGNATION OF JAMES LUCAS EFFECTIVE MARCH 29, 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 ADVERTISE FOR A MAINTENANCE PERSON IN THE CIVIC CENTER.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZE TO ADVERTISE FOR A MAINTENANCE PERSON IN THE CIVIC CENTER. 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 A REQUEST TO ADVERTISE FOR BIDS ON THREE GENERATORS FOR WATER WELLS.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO ADVERTISE FOR THREE GENERATORS FOR WATER WELLS. 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 ADVERTISE NOTICE OF INTENTION TO DIVERT OR WITHDRAW FOR BENEFICIAL USE THE PUBLIC WATERS OF THE STATE OF MS.

SEE EXHIBIT "C"

ADVERTISEMENT

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ADVERTISE NOTICE OF INTENTION TO DIVERT OR WITHDRAW FOR BENEFICIAL USE THE PUBLIC WATERS OF THE STATE OF MS. 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 AN AGREEMENT WITH GRIFFIN ARCHITECTURE FOR THE CITY OF PETAL RENOVATIONS

SEE EXHIBIT "D"

AGREEMENT  
GRIFFIN ARCHITECTURE

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT THE AGREEMENT WITH GRIFFIN ARCHITECTURE FOR THE CITY OF PETAL RENOVATIONS. 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 AN AGREEMENT WITH GRIFFIN ARCHITECTURE FOR THE CITY OF PETAL NEW BALLPARK.

SEE EXHIBIT "E"

AGREEMENT  
GRIFFIN ARCHITECTURE

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE AGREEMENT WITH GRIFFIN ARCHITECTURE FOR THE CITY OF PETAL NEW BALLPARK. 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 ESTIMATE #8 FROM JAY VAN COMPANY FOR PAYMENT OF FIRE DEPARTMENT IN AMOUNT OF \$73,955.00.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY ESTIMATE #8 TO JAY VAN COMPANY FOR WORK DONE ON FIRE STATION #3 IN AMOUNT OF \$73,955.00. 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 APPLY FOR A GRANT FOR SOLID WASTE.

SEE EXHIBIT "F"

GRANT

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE GRANT APPLICATION FOR THE SOLID WASTE DEPARTMENT. 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 ACCEPT THE FLOURIDATION CONTRACT WITH THE MS DEPARTMENT OF HEALTH.

SEE EXHIBIT "G"

CONTRACT  
MS DEPARTMENT OF HEALTH

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO AUTHORIZE THE MAYOR TO EXECUTE THE CONTRACT FOR FLOURIDATION WITH THE MS DEPARTMENT OF HEALTH. 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 PROOFS OF PUBLICATIONS:

- A. PUBLIC NOTICE-VARIANCE HEARING 206 OLD CORINTH ROAD
- B. NOTICE TO BIDDERS-USED TRUCK TRACTOR
- C. ADVERTISEMENT FOR BIDS-SPORTS LIGHTING IMPROVEMENTS
- D. PUBLIC NOTICE-ZONING HEARING 1251 HWY 42

THEREUPON, ALDERMAN MOORE MADE A MOTION TO ACCEPT THE PROOF OF PUBLICATIONS TO BE FILED. 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 PRIVILEGE LICENSE REPORT FOR THE MONTH OF FEBRUARY 2006.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO ACCEPT THE PRIVILEGE LICENSE REPORT FOR THE MONTH OF FEBRUARY 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 REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF FEBRUARY 2006.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO ACCEPT THE REVENUE AND EXPENDITURE REPORT FOR THE MONTH OF FEBRUARY 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 INVOICE #14113 FROM SHOWS, DEARMAN AND WAITS, INC FOR SEWER AND WATER ANALYSIS IN AMOUNT OF \$11,666.67.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY INVOICE #14113 TO SHOWS, DEARMAN, AND WAITS, INC FOR SEWER AND WATER ANALYSIS IN AMOUNT OF \$11,666.67. 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 INVOICE #14125 FROM SHOWS, DEARMAN AND WAITS, INC FOR SEWER EXTENSION TO ANNEXED AREA IN THE AMOUNT OF \$13,543.53.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY INVOICE #14125 TO SHOWS, DEARMAN, AND WAITS, INC FOR SEWER EXTENSION TO ANNEXED AREA IN THE AMOUNT OF \$13,543.53. 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 INVOICE #14119 FROM SHOWS, DEARMAN AND WAITS, INC FOR SEWER EXTENSION TO ANNEXED AREA IN AMOUNT OF \$29,803.37.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY INVOICE #14119 TO SHOWS, DEARMAN, AND WAITS, INC FOR SEWER EXTENSION TO ANNEXED AREA IN THE AMOUNT OF \$29,803.37. 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 INVOICE #14122 FROM SHOWS, DEARMAN AND WAITS, INC FOR REHAB OF SEWER LIFT STATION IN AMOUNT OF \$38,461.50.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZE THE CITY CLERK TO PAY INVOICE #14122 TO SHOWS, DEARMAN, AND WAITS, INC FOR REHAB OF SEWER LIFT STATION IN THE AMOUNT OF \$38,461.50. 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 SET HEARING FOR PROPERTY CLEANUP ON PERCY SCARBOROUGH PROPERTY.

THEREUPON, ALDERMAN WEAVER MADE A MOTION TO SET THE HEARING FOR APRIL 18, 2006 AT 6:30 P.M. FOR PROPERTY CLEANUP ON PERCY SCARBOROUGH PROPERTY. 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 RESIGNATION OF OFFICER DAVID BASSETT IN THE POLICE DEPARTMENT.

THEREUPON, ALDERMAN STRINGER, REGRETFULLY, MADE A MOTION TO ACCEPT THE RESIGNATION OF OFFICER DAVID BASSETT IN THE POLICE DEPARMENT EFFECTIVE APRIL 4, 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 RESIGNATION OF EDGAR MOORE OF THE RECREATION DEPARTMENT.

THEREUPON, ALDERMAN FAIRLEY MADE A MOTION TO ACCEPT THE RESIGNATION OF EDGAR MOORE OF THE RECREATION DEPARTMENT EFFECTIVE MARCH 20, 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 ACCEPT THE EMERGENCY PROPOSAL TO REPAIR THE SEWER LINE ON THREE MILE CUT-OFF IN THE AMOUNT OF \$95,766.00 WITH SHOWS, DEARMAN & WAITS, INC GIVING US THE DECLARATION OF EMERGENCY.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ACCEPT THE EMERGENCY PROPOSAL FROM SHOWS, DEARMAN & WAITS, INC TO REPAIR THE SEWER LINE ON THREE MILE CUT-OFF IN THE AMOUNT OF \$95,766.00 UPON THE DECLARATION OF EMERGENCY. 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 PARKS/GROUNDS MAINTENANCE.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO AUTHORIZE THE CITY 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 DONTAY HAMLIN.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY DEEM IT NECESSARY EMPLOY A GROUNDS SUPERVISOR IT IS HEREBY ORDERED THAT DONTAY HAMLIN BE PROMOTED TO GROUNDS SUPERVISOR IN THE RECREATION DEPT AT \$8.29 PER HOUR EFFECTIVE MARCH 22, 2006, SO ORDERED ON THIS THE 21<sup>ST</sup> DAY OF MARCH, 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 ORDER TRANSFERRING  
JOSH YOUNG.

ORDER

WHEREAS, THE MAYOR AND BOARD OF ALDERMEN  
OF THE CITY OF PETAL, MISSISSIPPI DO HEREBY  
DEEM IT NECESSARY TO HIRE A FULL TIME LABORER IN  
THE RECREATION DEPT, IT IS HEREBY ORDERED THAT JOSH YOUNG  
BE TRANSFERRED FROM PART TIME TO FULL TIME IN THE RECREATION DEPT AT \$7.25  
PER HOUR EFFECTIVE APRIL 10, 2006, SO ORDERED ON THIS  
THE 21<sup>ST</sup> DAY OF MARCH 2006.

THEREUPON, ALDERMAN STRINGER 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 TED  
CARTER IN THE STREET DEPARTMENT.

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 DEPT  
IT IS HEREBY ORDERED THAT TED CARTER BE HIRED FULL TIME  
IN THE STREET DEPT AT \$10.00 PER HOUR  
EFFECTIVE MARCH 27, 2006, SO ORDERED ON THIS  
THE 21<sup>ST</sup> DAY OF MARCH 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 "K"

RESOLUTION

RESOLUTION DIRECTING THE SALE AND AWARD OF  
GENERAL OBLIGATION BONDS, SERIES 2006, OF THE  
CITY OF PETAL, MISSISSIPPI DATE APRIL 1, 2006, IN  
THE PRINCIPAL AMOUNT OF FIVE MILLION DOLLARS  
(\$5,000,000); AND A RESOLUTION APPROVING AND  
AUTHORIZING THE FORM OF, EXECUTION AND  
DISTRIBUTION OF AN OFFICIAL STATEMENT

PERTAINING TO THE FIVE MILLION DOLLARS  
(\$5,000,000) GENERAL OBLIGATION BONDS,  
SERIES 2006, OF CITY OF PETAL, MISSISSIPPI

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 FOR AN EXECUTIVE SESSION  
TO DISCUSS PERSONNEL MATTERS.

THEREUPON, ALDERMAN MOORE MADE A MOTION TO CLEAR THE ROOM IN  
ORDER TO DECIDE IF AN EXECUTIVE SESSION IS NEEDED. 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

MAYOR SCOTT REOPENED THE MEETING.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ENTER INTO AN  
EXECUTIVE SESSION TO DISCUSS PERSONNEL MATTERS IN THE WATER 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

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO ADJOURN THE  
EXECUTIVE SESSION. 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

NO ACTION WAS TAKEN WHILE IN EXECUTIVE SESSION.

WHEREAS, MAYOR SCOTT PRESENTED A REQUEST TO SUSPEND LARRY FLOYD OF  
THE WATER DEPARTMENT, TWO (2) DAYS, MARCH 20<sup>TH</sup> & 21<sup>ST</sup>, 2006 WITH PAY AND THEN  
TRANSFER HIM TO THE RECREATION DEPARTMENT EFFECTIVE MARCH 22, 2006.

THEREUPON, ALDERMAN STRINGER MADE A MOTION TO SUSPEND LARRY FLOYD TWO (2) DAYS, MARCH 20<sup>TH</sup> & 21<sup>ST</sup>, 2006, WITH PAY AND THEN TRANSFER HIM FROM THE WATER DEPARTMENT TO THE RECREATION DEPARTMENT EFFECTIVE MARCH 22, 2006.

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 MOORE SECONDED THE MOTION.

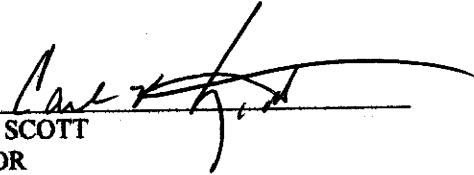
THOSE PRESENT AND VOTING "AYE"

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

THOSE PRESENT AND VOTING "NAY"

NONE

THEREBEING NO FURTHER BUSINESS, THE REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF PETAL, MISSISSIPPI WAS ADJOURNED ON THIS THE 21<sup>ST</sup> DAY OF MARCH, 2006.

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

(SEAL)

ATTEST:

  
\_\_\_\_\_  
JEAN ISHER  
CITY CLERK



David Mabry  
New and Used Truck Sales

CITY OF PETAL  
MINUTE BOOK 25

508

EXHIBIT "A"  
**-STATE MACK, INC.**

5 • 494 E.H. CRUMP BLVD. • MEMPHIS, TN 38101 • (901) 774-2211

Tri-State Mack, Inc.  
PO Box 5536  
Meridian, MS 39301  
Phone: 1-800-737-5237 • Fax: 1-601-485-7978  
Residence: 1-601-683-7168

MARCH 20, 2000

**City of Petal  
Petal, Ms**

**(1) Used 2001 Mack CH613 Truck Tractor**

**Bid Price (F.O.B. Petal, Ms)                      \$38,500.00**

**This Truck meets or exceeds all specifications set forth by the City of Petal.  
(Full specifications are attached)**

**Delivery: Approximately 10 days from acceptance of this bid**

**David Mabry**

**Tri- State Truck Center  
2696 Sellers Drive  
Meridian, Ms 39301**

652 EASON BLVD.  
TUPELO, MS 38801  
(601) 844-6000

SELLERS DR.  
MERIDIAN, MS 39301  
(601) 693-3333

4616 THIBAUT RD.  
LITTLE ROCK, AR 72206  
(501) 480-1122

2560 HOLLYWOOD DR.  
JACKSON, TN 38305  
(901) 664-1860

412 HWY. 49 SOUTH, BOX 5858  
JACKSON, MS 39288-5858  
(601) 932-3400

OFFICIAL BID FORM

March 21, 2006

Mayor and Board of Aldermen  
City of Petal, Mississippi

Gentlemen:

We hereby offer to pay \$ 5,000,000 plus accrued interest to the date of delivery for the Five Million Dollars (\$5,000,000) principal amount General Obligation Bonds, Series 2006, dated April 1, 2006 (the "Bonds"), of the City of Petal, Mississippi (the "City"), as described in the Notice of Bond Sale, dated February 21, 2006, maturing and bearing interest as follows:

QUANTITY	PRINCIPAL AMOUNT	INTEREST RATE	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
08	\$160,000	<u>5.375</u> %	2017	\$250,000	<u>3.80</u> %
2009	165,000	<u>5.375</u>	2018	260,000	<u>3.875</u>
2010	175,000	<u>5.375</u>	2019	270,000	<u>3.875</u>
2011	180,000	<u>5.375</u>	2020	285,000	<u>3.90</u>
2012	190,000	<u>5.375</u>	2021	295,000	<u>4.00</u>
2013	200,000	<u>5.375</u>	2022	310,000	<u>4.00</u>
2014	210,000	<u>4.875</u>	2023	320,000	<u>4.00</u>
2015	215,000	<u>3.80</u>	2024	335,000	<u>4.10</u>
2016	225,000	<u>3.80</u>	2025	350,000	<u>4.10</u>
	235,000	<u>3.80</u>	2026	370,000	<u>4.10</u>

Based upon the interest rate or rates specified above, we compute the gross interest cost to the City to be \$ 2445,393.12, the net interest cost (deducting premium of \$ 0, if any) to be \$ 2445,393.12 and the average annual net interest rate from the date of the Bonds to their respective maturities to be 4.094422 %.

If there is any discrepancy as between the actual interest cost computed upon the rate or rates of interest above specified and the interest cost or average rate hereinabove set forth, the interest rate or rates above specified and the actual interest cost or average interest rate computed upon said rate or rates shall prevail.

A (cashier's check) (certified check) (bank exchange), ISSUED OR CERTIFIED BY A BANK LOCATED IN THE STATE OF MISSISSIPPI and payable to the City of Petal, Mississippi, in the amount of One Hundred Thousand Dollars (\$100,000) accompanies this proposal as a guarantee that we will carry out this contract and accept delivery of the Bonds if this proposal is accepted, which shall be returned to the undersigned (1) if this bid be not accepted or (2) if the City should fail to deliver the Bonds to the undersigned in accordance with

EXHIBIT "B"

the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Bonds.

This proposal is submitted subject to all of the terms and conditions of the Notice of Bond Sale, dated February 21, 2006, which by reference is hereby made a part of this Bid.

BIDDER: MORGAN KEEGAN

BY: LONG MARCOVE  
TITLE: Senior Vice President  
901-529-5401

Associates (if any):

Return of good faith deposit is hereby acknowledged.

DATE: 3/21/06

BY: Donny Hubble

ACCEPTANCE

The above proposal accepted by resolution of the Mayor and Board of Aldermen of the City of Petal, Mississippi and receipt of the within-mentioned check is hereby acknowledged.

CITY OF PETAL, MISSISSIPPI

BY: \_\_\_\_\_  
City Clerk

(SEAL)

Jackson (282160v.1)

03/21/2006 18:31 FAX

0002'003

03/21/2006 18:31 FAX

0003'003

OFFICIAL BID FORM

March 21, 2006

Mayor and Board of Aldermen  
City of Petal, Mississippi

Gentlemen:

We hereby offer to pay \$ 5,000,000 plus accrued interest to the date of delivery for the Five Million Dollars (\$5,000,000) principal amount General Obligation Bonds, Series 2006, dated April 1, 2006 (the "Bonds"), of the City of Petal, Mississippi (the "City"), as described in the Notice of Bond Sale, dated February 21, 2006, maturing and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
2007	\$160,000	<u>5.30</u> %	2017	\$250,000	<u>3.75</u> %
2008	165,000		2018	260,000	
2009	175,000		2019	270,000	<u>3.80</u>
2010	180,000		2020	285,000	
2011	190,000		2021	295,000	
2012	200,000		2022	310,000	<u>3.875</u>
2013	210,000		2023	320,000	
2014	215,000		2024	335,000	
2015	225,000		2025	350,000	<u>3.90</u>
2016	235,000		2026	370,000	<u>4</u>

Based upon the interest rate or rates specified above, we compute the gross interest cost to the City to be \$ 2472,137.50, the net interest cost (deducting premium of \$ 1500, if any) to be \$ 2472,137.50 and the average annual net interest rate from the date of the Bonds to their respective maturities to be 4.137201 %.

If there is any discrepancy as between the actual interest cost computed upon the rate or rates of interest above specified and the interest cost or average rate hereinabove set forth, the interest rate or rates above specified and the actual interest cost or average interest rate computed upon said rate or rates shall prevail.

A (cashier's check) (certified check) (bank exchange), ISSUED OR CERTIFIED BY A BANK LOCATED IN THE STATE OF MISSISSIPPI and payable to the City of Petal, Mississippi, in the amount of One Hundred Thousand Dollars (\$100,000) accompanies this proposal as a guarantee that we will carry out this contract and accept delivery of the Bonds if this proposal is accepted, which shall be returned to the undersigned (1) if this bid be not accepted or (2) if the City should fail to deliver the Bonds to the undersigned in accordance with

the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Bonds.

This proposal is submitted subject to all of the terms and conditions of the Notice of Bond Sale, dated February 21, 2006, which by reference is hereby made a part of this Bid.

BIDDER: FTN Financial Capital Markets

BY: Henry Herring  
TITLE: VP Municipal Underwriting  
800.436.5460, 28006

Associates (if any):

Return of good faith deposit is hereby acknowledged.

DATE: March 21, 2006

BY: Henry Herring

ACCEPTANCE

The above proposal accepted by resolution of the Mayor and Board of Aldermen of the City of Petal, Mississippi and receipt of the within-mentioned check is hereby acknowledged.

CITY OF PETAL, MISSISSIPPI

BY: \_\_\_\_\_  
City Clerk

(SEAL)

Jackson (282160v.1)

CITY OF PETAL  
MINUTE BOOK 25

the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Bonds.

This proposal is submitted subject to all of the terms and conditions of the Notice of Bond Sale, dated February 21, 2006, which by reference is hereby made a part of this Bid.

EXHIBIT "B"

BIDDER: Duncan-Dalgaris, Inc.  
BY: Alpha Peety  
TITLE: Asst. Mgr.

Associates (if any):  
Bancap South  
143 W. Central Ave  
Petal, MS 39465

201-260-6819

March 21, 2006

Mayor and Board of Aldermen  
City of Petal, Mississippi

Gentlemen:

We hereby offer to pay \$ 5,000,000.00 plus accrued interest to the date of delivery for the Five Million Dollars (\$5,000,000) principal amount General Obligation Bonds, Series 2006, dated April 1, 2006 (the "Bonds"), of the City of Petal, Mississippi (the "City"), as described in the Notice of Bond Sale, dated February 21, 2006, maturing and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
2007	\$160,000	<u>5.125%</u>	2017	\$250,000	<u>3.80%</u>
2008	165,000	<u>5.25</u>	2018	260,000	<u>3.875</u>
2009	175,000	<u>5.25</u>	2019	270,000	<u>3.90</u>
2010	180,000	<u>5.25</u>	2020	285,000	<u>4.00</u>
2011	190,000	<u>5.00</u>	2021	295,000	<u>4.00</u>
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2013	210,000	<u>4.50</u>	2023	320,000	<u>4.00</u>
2014	215,000	<u>4.00</u>	2024	335,000	<u>4.00</u>
2015	225,000	<u>4.00</u>	2025	350,000	<u>4.00</u>
2016	235,000	<u>3.80</u>	2026	370,000	<u>4.00</u>

Based upon the interest rate or rates specified above, we compute the gross interest cost to the City to be \$ 2,418,727.50, the net interest cost (deducting premium of \$ 0, if any) to be \$ 2,418,727.50 and the average annual net interest rate from the date of the Bonds to their respective maturities to be 4.049774%.

If there is any discrepancy as between the actual interest cost computed upon the rate or rates of interest above specified and the interest cost or average rate hereinabove set forth, the interest rate or rates above specified and the actual interest cost or average interest rate computed upon said rate or rates shall prevail.

A (cashier's check) (certified check) (bank exchange), ISSUED OR CERTIFIED BY A BANK LOCATED IN THE STATE OF MISSISSIPPI and payable to the City of Petal, Mississippi, in the amount of One Hundred Thousand Dollars (\$100,000) accompanies this proposal as a guarantee that we will carry out this contract and accept delivery of the Bonds if this proposal is accepted, which shall be returned to the undersigned (1) if this bid be not accepted or (2) if the City should fail to deliver the Bonds to the undersigned in accordance with

Return of good faith deposit is hereby acknowledged.

DATE: \_\_\_\_\_

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

ACCEPTANCE

The above proposal accepted by resolution of the Mayor and Board of Aldermen of the City of Petal, Mississippi and receipt of the within-mentioned check is hereby acknowledged.

CITY OF PETAL, MISSISSIPPI

BY: Jean Hu  
City Clerk

(SEAL)

Jackson 12221601

EXHIBIT "C"

NOTICE

OF

**INTENTION TO DIVERT OR WITHDRAW FOR BENEFICIAL USE  
THE PUBLIC WATERS OF THE STATE OF MISSISSIPPI**

Notice is hereby given that on the 17<sup>TH</sup> day of November 2005, City of Petal, P.O. Box 405, Petal, MS 39465, filed applications for permits to continue to divert or withdraw the public waters of the State of Mississippi for beneficial use in the county of Forrest, for Municipal purposes, subject to existing rights, the following amounts of water at the indicated locations:

<u>PERMIT #</u>	<u>VOLUME</u>	<u>RATE</u>	<u>AQUIFER</u>	<u>LOCATION</u>
MS-GW-02000	0.26 MG/D	500 GPM	Catahoula Aquifer	SE SE S30 T5N R12W
MS-GW-02611	0.26 MG/D	760 GPM	Citronelle Aquifer	SW SW S1 T4N R13W
MS-GW-03965	0.26 MG/D	500 GPM	Catahoula Aquifer	SE SE S30 T5N R12W
MS-GW-11455	0.26 MG/D	500 GPM	Citronelle Aquifer	NW NW S1 T4N R13W

Any person, firm, association, or corporation, deeming that the granting of the above applications will be truly detrimental to their rights to utilize the waters of said source, may protest in writing to the Permit Board of the State of Mississippi, C/O Lisa A. May-McKenzie, P.O. Box 10631, Jackson, Mississippi 39289-0631, setting forth all reasons why said applications should not be approved. Letters of protest must be received within ten (10) days of this publication. If not protested, permits will be issued on or after ten (10) days following publication date.

If protested, the applications will be taken for consideration by the Permit Board of the State of Mississippi in its offices at 2380 Highway 80 West, Jackson, Mississippi, on or after, Tuesday, the 11<sup>TH</sup> day of April 2006, at which time all interested persons may appear and be heard by the Permit Board.

OFFICE OF LAND AND WATER RESOURCES


  
Lisa A. May-McKenzie, RFG  
Permitting Branch Chief

TABLE OF ARTICLES

- 1.1 INITIAL INFORMATION
1.2 RESPONSIBILITIES OF THE PARTIES
1.3 TERMS AND CONDITIONS
1.4 SCOPE OF SERVICES AND OTHER SPECIAL TERMS AND CONDITIONS
1.5 COMPENSATION

ADDITIONS AND DELETIONS: The author of this document has added information needed for its completion. The author may also have replaced the text of the original AIA standard form.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AGREEMENT made as of the Twenty-second day of March in the year Two Thousand Six

(In words, indicate day, month and year)

BETWEEN the Architect's client identified as the Owner:

(Name, address and other information)

City of Petal
119 West Eighth Street
Petal Ms 39465
Telephone Number: 601-545-1776
Fax Number: 601-5456685

and the Architect:
(Name, address and other information)

Griffin Architecture, Sole Proprietorship
455 Lynn Ray Road
Petal, MS 39465
Telephone Number: 601-554-8200
Fax Number: 601-554-8376

For the following Project:
(Include detailed description of Project)

06006 City of Petal 2006 Renovations
Petal, MS
Various projects associated with storm damage

The Owner and Architect agree as follows:

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EXHIBIT "D"

§ 1.1.2 PROJECT PARAMETERS
§ 1.1.2.1 The objective or use is:
(Identify or describe, if appropriate, proposed use or goals.)

unknown at the time of execution
§ 1.1.2.2 The physical parameters are:
(Identify or describe, if appropriate, size, location, dimensions, or other pertinent information, such as geotechnical reports about the site.)

unknown at the time of execution
§ 1.1.2.3 The Owner's Program is:
(Identify documentation or state the manner in which the program will be developed.)

unknown at the time of execution
§ 1.1.2.4 The legal parameters are:
(Identify pertinent legal information, including, if appropriate, land surveys and legal descriptions and restrictions of the site.)

§ 1.1.2.5 The financial parameters are as follows:
1. Amount of the Owner's overall budget for the Project, including the Architect's compensation, is:
unknown at time of execution of this Agreement.
2. Amount of the Owner's budget for the Cost of the Work, excluding the Architect's compensation, is:
unknown at time of execution of this Agreement.

§ 1.1.2.6 The time parameters are:
(Identify, if appropriate, milestones dates, durations or fast track scheduling.)

§ 1.1.2.7 The proposed procurement or delivery method for the Project is:
(Identify method such as competitive bid, negotiated contract, or construction management.)

Competitive Bids

§ 1.1.2.8 Other parameters are:
(Identify special characteristics or needs of the Project such as energy, environmental or historic preservation requirements.)

§ 1.1.3 PROJECT TEAM

§ 1.1.3.1 The Owner's Designated Representative is:
(List name, address and other information.)

Carl Scov
119 West Eighth Street
Petal Ms 39465

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§ 1.1.3.2 The persons or entities, in addition to the Owner's Designated Representative, who are required to review the Architect's submittals to the Owner are:
(List name, address and other information.)

§ 1.1.3.3 The Owner's other consultants and contractors are:
(List discipline and, if known, identify them by name and address.)

§ 1.1.3.4 The Architect's Designated Representative is:
(List name, address and other information.)

Lewis Griffin, AIA

§ 1.1.3.5 The consultants retained at the Architect's expense are:
(List discipline and, if known, identify them by name and address.)

Structural Engineer
Mechanical Engineer
Electrical Engineer

§ 1.1.4 Other important initial information is:

§ 1.1.5 When the services under this Agreement include contract administration services, the General Conditions of the Contract for Construction shall be the edition of AIA Document A201 current as of the date of this Agreement, or as follows:

§ 1.1.6 The information contained in this Article 1.1 may be reasonably relied upon by the Owner and Architect in determining the Architect's compensation. Both parties, however, recognize that such information may change and, in that event, the Owner and the Architect shall negotiate appropriate adjustments in schedule, compensation and Change in Services in accordance with Section 1.3.3.

ARTICLE 1.2 RESPONSIBILITIES OF THE PARTIES

§ 1.2.1 The Owner and the Architect shall cooperate with one another to fulfill their respective obligations under this Agreement. Both parties shall endeavor to maintain a good working relationship among all members of the Project team.

§ 1.2.2 OWNER

§ 1.2.2.1 Unless otherwise provided under this Agreement, the Owner shall provide full information in a timely manner regarding requirements for and limitations on the Project. The Owner shall furnish to the Architect, within 15 days after receipt of a written request, information necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

§ 1.2.2.2 The Owner shall periodically update the budget for the Project, including that portion allocated for the Cost of the Work. The Owner shall not significantly increase or decrease the overall budget, the portion of the budget allocated for the Cost of the Work, or contingencies included in the overall budget or a portion of the budget, without the agreement of the Architect to a corresponding change in the Project scope and quality.

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§ 1.2.2.3 The Owner's Designated Representative identified in Section 1.1.3 shall be authorized to act on the Owner's behalf with respect to the Project. The Owner or the Owner's Designated Representative shall render decisions in a timely manner pertaining to documents submitted by the Architect in order to avoid delay in the orderly and sequential progress of the Architect's services.

§ 1.2.2.4 The Owner shall furnish the services of consultants other than those designated in Section 1.1.3 or authorize the Architect to furnish them as a Change in Services when such services are requested by the Architect and are reasonably required by the scope of the Project.

§ 1.2.2.5 Unless otherwise provided in this Agreement, the Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as geotechnical, structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

§ 1.2.2.6 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 1.2.2.7 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including any errors, omissions or inconsistencies in the Architect's Instruments of Service.

§ 1.2.3 ARCHITECT

§ 1.2.3.1 The services performed by the Architect, Architect's employees and Architect's consultants shall be as enumerated in Article 1.4.

§ 1.2.3.2 The Architect's services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the Project. The Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services which initially shall be consistent with the time periods established in Section 1.1.2.6 and which shall be adjusted, if necessary, as the Project proceeds. This schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submittals by authorities having jurisdiction over the Project. Time limits established by this schedule approved by the Owner shall not, except for reasonable cause, be exceeded by the Architect or Owner.

§ 1.2.3.3 The Architect's Designated Representative identified in Section 1.1.3 shall be authorized to act on the Architect's behalf with respect to the Project.

§ 1.2.3.4 The Architect shall maintain the confidentiality of information specifically designated as confidential by the Owner, unless withholding such information would violate the law, create the risk of significant harm to the public or prevent the Architect from conducting a claim or defense in an adjudicatory proceeding. The Architect shall require of the Architect's consultants similar agreements to maintain the confidentiality of information specifically designated as confidential by the Owner.

§ 1.2.3.5 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

§ 1.2.3.6 The Architect shall review laws, codes, and regulations applicable to the Architect's services. The Architect shall respond in the design of the Project to requirements imposed by governmental authorities having jurisdiction over the Project.

§ 1.2.3.7 The Architect shall be entitled to rely on the accuracy and completeness of services and information furnished by the Owner. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any errors, omissions or inconsistencies in such services or information.

ARTICLE 1.3 TERMS AND CONDITIONS

§ 1.3.1 COST OF THE WORK

§ 1.3.1.1 The Cost of the Work shall be the total cost or, to the extent the Project is not completed, the estimated cost to the Owner of all elements of the Project designed or specified by the Architect.

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If any of the following circumstances affect the Architect's services for the Project, the Architect shall be entitled to an appropriate adjustment in the Architect's schedule and compensation:

1. change in the instructions or approvals given by the Owner that necessitate revisions in Instruments of Service;
2. enactment or revision of codes, laws or regulations or official interpretations which necessitate changes to previously prepared Instruments of Service;
3. decisions of the Owner not rendered in a timely manner;
4. significant change in the Project including, but not limited to, size, quality, complexity, the Owner's schedule or budget, or procurement method;
5. failure of performance on the part of the Owner or the Owner's consultants or contractors;
6. preparation for and attendance at a public hearing, a dispute resolution proceeding or a legal proceeding except where the Architect is party thereto;
7. change in the information contained in Article 1.1.

**1.3.6 CLAIMS FOR CONSEQUENTIAL DAMAGES**  
The Architect and the Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Section 1.3.8.

**1.3.7 MISCELLANEOUS PROVISIONS**  
1.3.7.1 This Agreement shall be governed by the law of the principal place of business of the Architect, unless otherwise provided in Section 1.4.2.  
1.3.7.2 Terms in this Agreement shall have the same meaning as those in the edition of AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement.

1.3.7.3 Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statute of limitations shall commence to run not later than either the date of Substantial Completion for acts or failures to act occurring prior to Substantial Completion or the date of issuance of the final Certificate for Payment for acts or failures to act occurring after Substantial Completion. In no event shall such statute of limitations commence to run any later than the date when the Architect's services are substantially completed.

1.3.7.4 To the extent damages are covered by property insurance during construction, the Owner and the Architect waive all rights against each other and against the contractors, consultants, agents and employees of the other for

AIA Document B141™ - 1997 Part 1, Copyright © 1917, 1926, 1948, 1961, 1963, 1968, 1987, 1970, 1974, 1977, 1987 and 1987 by The American Institute of Architects. All rights reserved. WAIVER: This AIA® Document is provided by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA® Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law. This document was produced by AIA software at 10:27:48 on 03/14/2008 under Order No. 1000182648\_1 which expires on 03/20/2008, and is not for resale. (1307780289) User Notice:

1.3.1.2 The Cost of the Work shall include the cost at current market rates of labor and materials furnished by the Owner and equipment designed, specified, selected or specially provided for by the Architect, including the cost of management or supervision of construction or installation provided by a separate construction manager or contractor, plus a reasonable allowance for their overhead and profit. In addition, a reasonable allowance for contingencies shall be included for market conditions at the time of bidding and for changes in the Work.

1.3.1.3 The Cost of the Work does not include the compensation of the Architect and the Architect's consultants, the costs of the land, rights-of-way and financing or other costs that are the responsibility of the Owner.

**1.3.2 INSTRUMENTS OF SERVICE**  
1.3.2.1 Drawings, specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service for use solely with respect to this Project. The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service and shall retain all common law, statutory and other reserved rights, including copyrights.

1.3.2.2 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to reproduce the Architect's Instruments of Service solely for purposes of constructing, using and maintaining the Project, provided that the Owner shall comply with all obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. Any termination of this Agreement prior to completion of the Project shall terminate this license. Upon such termination, the Owner shall refrain from making further reproductions of Instruments of Service and shall return to the Architect within seven days of termination all originals and reproductions in the Owner's possession or control. If and upon the date the Architect is adjudged in default of this Agreement, the foregoing license shall be deemed terminated and replaced by a second, nonexclusive license permitting the Owner to utilize other similarly credentialed design professionals to reproduce and, where permitted by law, to make corrections or additions to the Instruments of Service solely for purposes of completing, using and maintaining the Project.

Except for the licenses granted in Section 1.3.2.2, no other license or right shall be deemed granted or assigned under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. However, the Owner shall be permitted to authorize the Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers to reproduce applicable portions of the Instruments of Service appropriate to and for use in their execution of the Work by license granted in Section 1.3.2.2. Submission or distribution of Instruments of Service is not to be construed as official regulatory requirements or for similar purposes in connection with the Project is not to be construed as official regulatory requirements or for similar purposes in connection with the Project or for other projects, unless the use of the Instruments of Service for future additions or alterations to this Project or for other projects, unless the Owner obtains the prior written agreement of the Architect and the Architect's consultants. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

1.3.2.4 Prior to the Architect providing to the Owner any Instruments of Service in electronic form or the Owner providing to the Architect any electronic data for incorporation into the Instruments of Service, the Owner and the Architect shall by separate written agreement set forth the specific conditions governing the format of such Instruments of Service or electronic data, including any special limitations or licenses not otherwise provided in this Agreement.

**1.3.3 CHANGE IN SERVICES**  
1.3.3.1 Change in Services of the Architect, including services required of the Architect's consultants, may be accomplished after execution of this Agreement, without invalidating the Agreement, if mutually agreed in writing, if required by circumstances beyond the Architect's control, or if the Architect's services are affected as described in Section 1.3.3.2. In the absence of mutual agreement in writing, the Architect shall notify the Owner prior to providing such services. If the Owner deems that all or a part of such Change in Services is not required, the Owner shall give prompt written notice to the Architect, and the Architect shall have no obligation to provide those services. Except for a change due to the fault of the Architect, Change in Services of the Architect shall entitle the

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damages, except such rights as they may have to the proceeds of such insurance as set forth in the edition of AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement. The Owner or the Architect, as appropriate, shall require of the contractors, consultants, agents and employees of any of them similar waivers in favor of the other parties enumerated herein.

1.3.3.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

1.3.3.6 Unless otherwise provided in this Agreement, the Architect and Architect's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials or toxic substances in any form at the Project site.

1.3.3.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project.

1.3.3.8 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. The Architect shall not be required to execute certificates that would require knowledge, services or responsibilities beyond the scope of this Agreement.

1.3.3.9 The Owner and Architect, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to an institutional lender providing financing for the Project. In such event, the lender shall assume the Owner's rights and obligations under this Agreement. The Architect shall execute all consents reasonably required to facilitate such assignment.

**1.3.4 TERMINATION OR SUSPENSION**

1.3.4.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, prior to suspension of services, the Architect shall give seven days' written notice to the Owner. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused by the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

1.3.4.2 If the Project is suspended by the Owner for more than 30 consecutive days, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

1.3.4.3 If the Project is suspended or the Architect's services are suspended for more than 90 consecutive days, the Architect may terminate this Agreement by giving not less than seven days' written notice.

1.3.4.4 This Agreement may be terminated by either party upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

1.3.4.5 This Agreement may be terminated by the Owner upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

1.3.4.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 1.3.8.7.

1.3.4.7 Termination Expenses are in addition to compensation for the services of the Architect and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

**1.3.5 PAYMENTS TO THE ARCHITECT**

1.3.5.1 Payments on account of services rendered and for Reimbursable Expenses incurred shall be made promptly upon presentation of the Architect's statement of services. No deductions shall be made from the Architect's compensation on account of penalty, liquidated damages or other sums withheld from payments to contractors, or on account of the cost of changes in the Work other than those for which the Architect has been adjudged to be liable.

1.3.5.2 Reimbursable Expenses are in addition to compensation for the Architect's services and include expenses incurred by the Architect and Architect's employees and consultants directly related to the Project, as identified in the following Clauses:

1. transportation in connection with the Project, authorized out-of-town travel and subsistence, and electronic communications;
2. fees paid for securing approval of authorities having jurisdiction over the Project;
3. reproductions, plots, standard form documents, postage, handling and delivery of Instruments of Service;
4. expense of overtime work requiring higher than regular rates if authorized in advance by the Owner;
5. readings, models and mock-ups requested by the Owner;
6. expense of professional liability insurance dedicated exclusively to this Project or the expense of additional insurance coverage or limits requested by the Owner in excess of that normally carried by the Architect and the Architect's consultants;
7. reimbursable expenses as designated in Section 1.5.5;
8. other similar direct Project-related expenditures.

1.3.5.3 Records of Reimbursable Expenses, of expenses pertaining to a Change in Services, and of services performed on the basis of hourly rates or a multiple of Direct Personnel Expense shall be available to the Owner or the Owner's authorized representative at mutually convenient times.

1.3.5.4 Direct Personnel Expense is defined as the direct salaries of the Architect's personnel engaged on the Project and the portion of the cost of their mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

**ARTICLE 1.4 SCOPE OF SERVICES AND OTHER SPECIAL TERMS AND CONDITIONS**

1.4.1 Enumeration of Parts of the Agreement. This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect. This Agreement comprises the documents listed below.

1.4.1.1 Standard Form of Agreement Between Owner and Architect, AIA Document B141-1997.

1.4.1.2 Standard Form of Architect's Services: Design and Contract Administration, AIA Document B141-1997, or as follows:  
(List other documents, if any, delineating Architect's scope of services.)

1.4.1.3 Other documents as follows:  
(List other documents, if any, forming part of the Agreement.)

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EXHIBIT "D"

§ 1.4.2 Special Terms and Conditions. Special terms and conditions that modify this Agreement are as follows:  
1.3.7.10 The prevailing party in any dispute arising out of or related to this agreement or the breach thereof shall be entitled to reasonable attorney's fees, expert fees and expenses.  
1.4.2.2 Neither the architect, the architect's consultants nor their agents or employees shall be jointly or individually liable to the Owner in an amount in excess of currently maintained liability coverage carried by the architect.

ARTICLE 1.5 COMPENSATION  
§ 1.5.1 For the Architect's services as described under Article 1.4, compensation shall be computed as follows:  
Basic Service 6% of the Cost of the Work Article 1.3.1.1 which costs include services performed in connection with alternates whether or not accepted by the Owner.  
Progress Payments for Basic Services in each phase shall total the following percentage of the total Basic Compensation payable and shall be billed monthly:  
Schematic Design Thirty five percent (35%)  
Design Development Twenty five percent (25%)  
Construction Documents Fifteen percent (15%)  
Bidding Phase Five Percent (5%)  
Construction Administration Twenty Percent (20%)

§ 1.5.2 If the services of the Architect are changed as described in Section 1.3.3.1, the Architect's compensation shall be adjusted. Such adjustment shall be calculated as described below or, if no method of adjustment is indicated in this Section 1.5.2, in an equitable manner.  
(Insert basis of compensation, including rates and multiples of Direct Personnel Expense for Principals and employees, and identify Principals and classify employees, if required. Identify specific services to which particular methods of compensation apply.)

§ 1.5.3 For a Change in Services of the Architect's consultants, compensation shall be computed as a multiple of One and two-tenths ( 1.20 ) times the amounts billed to the Architect for such services.

§ 1.5.4 For Reimbursable Expenses as described in Section 1.3.9.2, and any other items included in Section 1.5.5 as Reimbursable Expenses, the compensation shall be computed as a multiple of One and two-tenths ( 1.20 ) times the expenses incurred by the Architect, and the Architect's employees and consultants.

§ 1.5.5 Other Reimbursable Expenses, if any, are as follows:

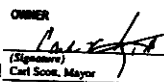

§ 1.5.6 The rates and multiples for services of the Architect and the Architect's consultants as set forth in this Agreement shall be adjusted in accordance with their normal salary review practices.

§ 1.5.7 An initial payment of ( \$ ) shall be made upon execution of this Agreement and in the minimum payment under this Agreement. It shall be credited to the Owner's account at final payment. Subsequent payments for services shall be made monthly, and where applicable, shall be in proportion to services performed on the basis set forth in this Agreement.

§ 1.5.8 Payments are due and payable Thirty ( 30 ) days from the date of the Architect's invoice. Amounts unpaid Sixty ( 60 ) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

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(Usury laws and requirements under the Federal Truth in Lending Act, similar state and local consumer credit laws and other regulations at the Owner's and Architect's principal places of business, the location of the Project and elsewhere may affect the validity of this provision. Specific legal advice should be obtained with respect to deletions or modifications, and also regarding requirements such as written disclosures or waivers.)  
§ 1.5.9 If the services covered by this Agreement have not been completed within Eighteen ( 18 ) months of the date hereof, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as provided in Section 1.5.2.  
This Agreement entered into as of the day and year first written above.

OWNER  
(Signature)   
Carl Scott Mayer  
(Printed name and title)  
ARCHITECT  
(Signature)   
Lewis Griffin, AIA, Owner  
(Printed name and title)

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AIA Document B141™ - 1997 Part 2

Standard Form of Architect's Services:  
Design and Contract Administration

TABLE OF ARTICLES

- 2.1 PROJECT ADMINISTRATION SERVICES
- 2.2 SUPPORTING SERVICES
- 2.3 EVALUATION AND PLANNING SERVICES
- 2.4 DESIGN SERVICES
- 2.5 CONSTRUCTION PROCUREMENT SERVICES
- 2.6 CONTRACT ADMINISTRATION SERVICES
- 2.7 FACILITY OPERATION SERVICES
- 2.8 SCHEDULE OF SERVICES
- 2.9 MODIFICATIONS

ADDITIONS AND DELETIONS:  
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that contains added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.  
This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

ARTICLE 2.1 PROJECT ADMINISTRATION SERVICES  
§ 2.1.1 The Architect shall manage the Architect's services and administer the Project. The Architect shall consult with the Owner, research applicable design criteria, attend Project meetings, communicate with members of the Project team and issue progress reports. The Architect shall coordinate the services provided by the Architect and the Architect's consultants with those services provided by the Owner and the Owner's consultants.

§ 2.1.2 When Project requirements have been sufficiently identified, the Architect shall prepare, and periodically update, a Project schedule that shall identify milestones dates for decisions required of the Owner, design services furnished by the Architect, completion of documentation provided by the Architect, commencement of construction and Substantial Completion of the Work.

§ 2.1.3 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program, budget and aesthetics in developing the design for the Project.

§ 2.1.4 Upon request of the Owner, the Architect shall make a presentation to explain the design of the Project to representatives of the Owner.

§ 2.1.5 The Architect shall submit design documents to the Owner at intervals appropriate to the design process for purposes of evaluation and approval by the Owner. The Architect shall be entitled to rely on approvals received from the Owner in the further development of the design.

§ 2.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 2.1.7 EVALUATION OF BUDGET AND COST OF THE WORK  
§ 2.1.7.1 When the Project requirements have been sufficiently identified, the Architect shall prepare a preliminary estimate of the Cost of the Work. This estimate may be based on current area, volume or similar conceptual estimating techniques. As the design process progresses through the end of the preparation of the Construction Documents, the Architect shall update and refine the preliminary estimate of the Cost of the Work. The Architect shall advise the Owner of any adjustments to previous estimates of the Cost of the Work indicated by changes in Project requirements or general market conditions. If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality or budget, and the Owner shall cooperate with the Architect in making such adjustments.

§ 2.1.7.2 Evaluations of the Owner's budget for the Project, the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work prepared by the Architect represent the Architect's judgment as a design professional familiar with the construction industry. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid or contract or over competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bid or negotiated prices will not vary from the Owner's budget for the Project or from any estimate of the Cost of the Work or evaluation prepared or agreed to by the Architect.

§ 2.1.7.3 In preparing estimates of the Cost of the Work, the Architect shall be permitted to include contingencies for design, bidding and price escalation; to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents; to make reasonable adjustments in the scope of the Project and to include in the Contract Documents alternate bids as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget for the Cost of the Work. If an increase in the Contract Sum occurring after execution of the Contract between the Owner and the Contractor causes the budget for the Cost of the Work to be exceeded, that budget shall be increased accordingly.

§ 2.1.7.4 If bidding or negotiation has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the construction industry.

§ 2.1.7.5 If the budget for the Cost of the Work is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall:  
- 1 give written approval of an increase in the budget for the Cost of the Work;  
- 2 authorize rebidding or renegotiating of the Project within a reasonable time;  
- 3 terminate in accordance with Section 1.3.8.5; or  
- 4 cooperate in revising the Project scope and quality as required to reduce the Cost of the Work.

§ 2.1.7.6 If the Owner chooses to proceed under Section 2.1.7.5.4, the Architect, without additional compensation, shall modify the documents for which the Architect is responsible under this Agreement as necessary to comply with the budget for the Cost of the Work. The modification of such documents shall be the task of the Architect's responsibility under this Section 2.1.7. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not construction is commenced.

ARTICLE 2.2 SUPPORTING SERVICES

§ 2.2.1 Unless specifically designed in Section 2.2.3, the services in this Article 2.2 shall be provided by the Owner or the Owner's consultants and contractors.

§ 2.2.1.1 The Owner shall furnish a program setting forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, special equipment, systems and site requirements.

§ 2.2.1.2 The Owner shall furnish surveys to describe the physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of access, alleys, easements and adjoining property and structures; adjacent drainage; rights-of-way, restrictions, encroachments, zoning, deed restrictions, boundaries and contours of the site;

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locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 2.2.13 The Owner shall furnish services of geotechnical engineers which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsurface conditions, with reports and appropriate recommendations.

**ARTICLE 2.3 EVALUATION AND PLANNING SERVICES**

§ 2.3.1 The Architect shall provide a preliminary evaluation of the information furnished by the Owner under this Agreement, including the Owner's program and schedule requirements and budget for the Cost of the Work, each in terms of the other. The Architect shall review such information to ascertain that it is consistent with the requirements of the Project and shall notify the Owner of any other information or consultant services that may be reasonably needed for the Project.

§ 2.3.2 The Architect shall provide a preliminary evaluation of the Owner's site for the Project based on the information provided by the Owner of site conditions, and the Owner's program, schedule and budget for the Cost of the Work.

§ 2.3.3 The Architect shall review the Owner's proposed method of contracting for construction services and shall notify the Owner of anticipated impacts that such method may have on the Owner's program, financial and time requirements, and the scope of the Project.

**ARTICLE 2.4 DESIGN SERVICES**

The Architect's design services shall include normal structural, mechanical and electrical engineering

**SCHEMATIC DESIGN DOCUMENTS**

The Architect shall provide Schematic Design Documents based on the mutually agreed-upon program, schedule, and budget for the Cost of the Work. The documents shall establish the conceptual design of the Project illustrating the scale and relationship of the Project components. The Schematic Design Documents shall include a conceptual site plan, if appropriate, and preliminary building plans, sections and elevations. At the Architect's option, the Schematic Design Documents may include study models, perspective sketches, electronic modeling or combinations of these media. Preliminary sections of major building systems and construction materials shall be noted on the drawings or described in writing.

**§ 2.4.3 DESIGN DEVELOPMENT DOCUMENTS**

§ 2.4.3.1 The Architect shall provide Design Development Documents based on the approved Schematic Design Documents and updated budget for the Cost of the Work. The Design Development Documents shall illustrate and describe the refinement of the design of the Project, establishing the scope, relationships, forms, size and appearance of the Project by means of plans, sections and elevations, typical construction details, and equipment layout. The Design Development Documents shall include specifications that identify major materials and systems and establish in general their quality levels.

**§ 2.4.4 CONSTRUCTION DOCUMENTS**

§ 2.4.4.1 The Architect shall provide Construction Documents based on the approved Design Development Documents and updated budget for the Cost of the Work. The Construction Documents shall set forth in detail the requirements for construction of the Project. The Construction Documents shall include Drawings and Specifications that establish in detail the quality levels of materials and systems required for the Project.

§ 2.4.4.2 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of: (1) bidding and procurement information which describes the time, place and conditions of bidding; bidding or proposal forms; and the form of agreement between the Owner and the Contractor; and (2) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect also shall compile the Project Manual that includes the Conditions of the Contract for Construction and Specifications and may include bidding requirements and sample forms.

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**EXHIBIT "D"**

**ARTICLE 2.5 CONSTRUCTION PROCUREMENT SERVICES**

§ 2.5.1 The Architect shall assist the Owner in obtaining either competitive bids or negotiated proposals and shall assist the Owner in awarding and preparing contracts for construction.

§ 2.5.2 The Architect shall assist the Owner in establishing a list of prospective bidders or contractors.

§ 2.5.3 The Architect shall assist the Owner in bid validation or proposal evaluation and determination of the successful bid or proposal, if any. If requested by the Owner, the Architect shall notify all prospective bidders or contractors of the bid or proposal results.

**§ 2.5.4 COMPETITIVE BIDDING**

§ 2.5.4.1 Bidding Documents shall consist of bidding requirements, proposed contract forms, General Conditions and Supplementary Conditions, Specifications and Drawings.

§ 2.5.4.2 If requested by the Owner, the Architect shall arrange for procuring the reproduction of Bidding Documents for distribution to prospective bidders. The Owner shall pay directly for the cost of reproduction or shall reimburse the Architect for such expenses.

§ 2.5.4.3 If requested by the Owner, the Architect shall distribute the Bidding Documents to prospective bidders and request their return upon completion of the bidding process. The Architect shall maintain a log of distribution and retrieval, and the amounts of deposits, if any, received from and returned to prospective bidders.

§ 2.5.4.4 The Architect shall consider requests for substitutions, if permitted by the Bidding Documents, and shall prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 2.5.4.5 The Architect shall participate in or, at the Owner's direction, shall organize and conduct a pre-bid conference for prospective bidders.

§ 2.5.4.6 The Architect shall prepare responses to questions from prospective bidders and provide clarifications and interpretations of the Bidding Documents to all prospective bidders in the form of addenda.

§ 2.5.4.7 The Architect shall participate in or, at the Owner's direction, shall organize and conduct the opening of the bids. The Architect shall subsequently document and distribute the bidding results, as directed by the Owner.

**§ 2.5.5 NEGOTIATED PROPOSALS**

§ 2.5.5.1 Proposal Documents shall consist of proposal requirements, proposed contract forms, General Conditions and Supplementary Conditions, Specifications and Drawings.

§ 2.5.5.2 If requested by the Owner, the Architect shall arrange for procuring the reproduction of Proposal Documents for distribution to prospective contractors. The Owner shall pay directly for the cost of reproduction or shall reimburse the Architect for such expenses.

§ 2.5.5.3 If requested by the Owner, the Architect shall organize and participate in selection interviews with prospective contractors.

§ 2.5.5.4 The Architect shall consider requests for substitutions, if permitted by the Proposal Documents, and shall prepare and distribute addenda identifying approved substitutions to all prospective contractors.

§ 2.5.5.5 If requested by the Owner, the Architect shall assist the Owner during negotiations with prospective contractors. The Architect shall subsequently prepare a summary report of the negotiation results, as directed by the Owner.

**ARTICLE 2.6 CONTRACT ADMINISTRATION SERVICES**

**§ 2.6.1 GENERAL ADMINISTRATION**

§ 2.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in the edition of AIA Document A201, General Conditions of the Contract for Construction, current

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as of the date of this Agreement. Modifications made to the General Conditions, when adopted as part of the Contract Documents, shall be enforceable under this Agreement only to the extent that they are consistent with this Agreement or approved in writing by the Architect.

§ 2.6.1.2 The Architect's responsibility to provide the Contract Administration Services under this Agreement commences with the award of the initial Contract for Construction and terminates at the issuance to the Owner of the final Certificate for Payment. However, the Architect shall be entitled to a Change in Services in accordance with Section 2.6.2 when Contract Administration Services extend 60 days after the date of Substantial Completion of the Work.

§ 2.6.1.3 The Architect shall be a representative of and shall advise and consult with the Owner during the provision of the Contract Administration Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement unless otherwise modified by written amendment.

§ 2.6.1.4 Duties, responsibilities and limitations of authority of the Architect under this Article 2.6 shall not be restricted, modified or extended without written agreement of the Owner and Architect with consent of the Contractor, which consent will not be unreasonably withheld.

§ 2.6.1.5 The Architect shall review properly prepared, timely requests by the Contractor for additional information about the Contract Documents. A properly prepared request for additional information about the Contract Documents shall be in a form prepared or approved by the Architect and shall include a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested.

§ 2.6.1.6 If deemed appropriate by the Architect, the Architect shall on the Owner's behalf prepare, reproduce and distribute supplemental Drawings and Specifications in response to requests for information by the Contractor.

§ 2.6.1.7 The Architect shall interpret and decide matters concerning performance of the Owner and Contractor under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 2.6.1.8 Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and initial decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for the results of interpretations or decisions so rendered in good faith.

§ 2.6.1.9 The Architect shall render initial decisions on claims, disputes or other matters in question between the Owner and Contractor as provided in the Contract Documents. However, the Architect's decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

**§ 2.6.2 EVALUATIONS OF THE WORK**

§ 2.6.2.1 The Architect, as a representative of the Owner, shall visit the site at intervals appropriate to the stage of the Contractor's operations, or as otherwise agreed by the Owner and the Architect in Article 2.6, (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect shall neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 2.6.2.2 The Architect shall report to the Owner known deviations from the Contract Documents and from the most current construction schedule submitted by the Contractor. However, the Architect shall not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The

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The Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of and shall not be responsible for acts or omissions of the Owner, Contractor, Subcontractors, or their agents or employees, or of any other persons or entities performing portions of the Work.

§ 2.6.2.3 The Architect shall at all times have access to the Work wherever it is in preparation or progress.

§ 2.6.2.4 Except as otherwise provided in this Agreement or when direct communications have been specially authorized, the Owner shall endeavor to communicate with the Contractor through the Architect about matters arising out of or relating to the Contract Documents. Communications by and with the Architect's consultants shall be through the Architect.

§ 2.6.2.5 The Architect shall have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees or other persons or entities performing portions of the Work.

**§ 2.6.3 CERTIFICATION OF PAYMENTS TO CONTRACTOR**

§ 2.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue Certificates for Payment in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 2.6.2 and on the data comprising the Contractor's Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject (1) to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) to results of subsequent tests and inspections, (3) to correction of minor deviations from the Contract Documents prior to completion, and (4) to specific qualifications expressed by the Architect.

§ 2.6.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 2.6.3.3 The Architect shall maintain a record of the Contractor's Applications for Payment.

**§ 2.6.4 SUBMITTALS**

§ 2.6.4.1 The Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concepts expressed in the Contract Documents. The Architect's action shall be taken with such reasonable promptness as to cause no unnecessary delay in the Work or in the activities of the Owner, Contractor or separate contractors, while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 2.6.4.2 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 2.6.4.3 If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Architect shall specify

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appropriate performance and design criteria that such services must satisfy. Shop Drawings and other submittals related to the Work designed or certified by the design professional retained by the Contractor shall bear such professional's written approval when submitted to the Architect. The Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals.

**§ 2.6.5 CHANGES IN THE WORK**

**§ 2.6.5.1** The Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents. The Architect may authorize minor changes in the Work not involving an adjustment in Contract Sum or an extension of the Contract Time which are consistent with the intent of the Contract Documents. If necessary, the Architect shall prepare, reproduce and distribute Drawings and Specifications to describe Work to be added, deleted or modified, as provided in Section 2.6.2.

**§ 2.6.5.2** The Architect shall review properly prepared, timely requests by the Owner or Contractor for changes in the Work, including adjustments to the Contract Sum or Contract Time. A properly prepared request for a change in the Work shall be accompanied by sufficient supporting data and information to permit the Architect to make a reasonable determination without extensive investigation or preparation of additional drawings or specifications. If the Architect determines that requested changes in the Work are not materially different from the requirements of the Contract Documents, the Architect may issue an order for a minor change in the Work or recommend to the Owner that the requested change be denied.

**§ 2.6.5.3** If the Architect determines that implementation of the requested changes would result in a material change to the Contract that may cause an adjustment in the Contract Time or Contract Sum, the Architect shall make a recommendation to the Owner, who may authorize further investigation of such change. Upon such authorization, and based upon information furnished by the Contractor, if any, the Architect shall estimate the additional cost and time that might result from such change, including any additional costs attributable to a Change in Services of the Architect. With the Owner's approval, the Architect shall incorporate those estimates into a Change Order or other appropriate documentation for the Owner's execution or negotiation with the Contractor.

**§ 2.6.5.4** The Architect shall maintain records relative to changes in the Work.

**§ 2.6.6 PROJECT COMPLETION**

**§ 2.6.6.1** The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, shall receive from the Contractor and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and assembled by the Contractor, and shall issue a final Certificate for Payment based upon a final inspection indicating the Work complies with the requirements of the Contract Documents.

**§ 2.6.6.2** The Architect's inspection shall be conducted with the Owner's Designated Representative to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

**§ 2.6.6.3** When the Work is found to be substantially complete, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including any amounts needed to pay for final completion or correction of the Work.

**§ 2.6.6.4** The Architect shall receive from the Contractor and forward to the Owner: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment and (2) affidavits, receipts, releases and waivers of liens or bonds indemnifying the Owner against liens.

**ARTICLE 2.7 FACILITY OPERATION SERVICES**

**§ 2.7.1** The Architect shall meet with the Owner or the Owner's Designated Representative promptly after Substantial Completion to review the need for facility operation services.

**§ 2.7.2** Upon request of the Owner and at the Owner's expense as a change in service, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall conduct a meeting with the Owner and the

EXHIBIT "D"

**TABLE 2.8 SCHEDULE OF SERVICES**

**§ 2.8.1** Design and Contract Administration Services beyond the following limits shall be provided by the Architect as a Change in Services in accordance with Section 1.3.3:

- 1 up to Two ( 2 ) reviews of each Shop Drawing, Product Data item, sample and similar submittal of the Contractor;
- 2 up to One ( 1 ) visits to the site per week by the Architect over the duration of the Project during construction;
- 3 up to Two ( 2 ) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents;
- 4 up to Two ( 2 ) inspections for any portion of the Work to determine final completion.

**§ 2.8.2** The following Design and Contract Administration Services shall be provided by the Architect as a Change in Services in accordance with Section 1.3.3:

- 1 review of a Contractor's submittal out of sequence from the submittal schedule agreed to by the Architect;
- 2 responses to the Contractor's requests for information where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
- 3 Change Orders and Construction Change Directives requiring evaluation of proposals, including the preparation or revision of Instruments of Service;
- 4 providing consultation concerning replacement of Work resulting from fire or other cause during construction;
- 5 evaluation of an extensive number of claims submitted by the Owner's consultants, the Contractor or others in connection with the Work;
- 6 evaluation of substitutions proposed by the Owner's consultants or contractors and making subsequent revisions to Instruments of Service resulting therefrom;
- 7 preparation of design and documentation for alternate bid or proposal requests proposed by the Owner; or
- 8 Contract Administration Services provided 60 days after the date of Substantial Completion of the Work.

**§ 2.8.3** The Architect shall furnish or provide the following services only if specifically designated:

Services	Responsibility (Architect, Owner or Not Provided)	Location of Service Description
1 Programming	NA	
2 Land Survey Services	Owner	
3 Geotechnical Services	Owner	
4 Space Schematic/Flow Diagrams	NA	
5 Existing Facilities Surveys	NA	
6 Economic Feasibility Studies	NA	
7 Site Analysis and Selection	NA	
8 Environmental Studies and Reports	Owner	
9 Owner-Supplied Data Coordination	Owner	
10 Schedule Development and Monitoring	NA	
11 Civil Design	NA	
12 Landscape Design	NA	
13 Interior Design	NA	
14 Special Bidding or Negotiation	NA	
15 Value Analysis	NA	

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Services	Responsibility (Architect, Owner or Not Provided)	Location of Service Description
16 Detailed Cost Estimating	NA	
17 On-Site Project Representation	NA	
18 Construction Management	NA	
19 Start-Up Assistance	NA	
20 Record Drawings	NA	
21 Post-Contract Evaluation	NA	
22 Tenant-Related Services	NA	
23		
24		
25		


Description of Services.  
(Insert descriptions of the services designated.)

**ARTICLE 2.8 MODIFICATIONS**

**§ 2.8.1** Modifications to this Standard Form of Architect's Services: Design and Contract Administration, if any, are as follows:

By its execution, this Standard Form of Architect's Services: Design and Contract Administration and modifications hereto are incorporated into the Standard Form of Agreement Between the Owner and Architect, AIA Document B-141-1997, that was entered into by the parties as of the date: March 22, 2006

OWNER   
(Signature)  
Carl Scott, Mayor  
(Printed name and title)

ARCHITECT   
(Signature)  
Arvis Griffin, AIA, Owner  
(Printed name and title)

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Standard Form of Agreement Between Owner and Architect with Standard Form of Architect's Services

TABLE OF ARTICLES

- 1.1 INITIAL INFORMATION
1.2 RESPONSIBILITIES OF THE PARTIES
1.3 TERMS AND CONDITIONS
1.4 SCOPE OF SERVICES AND OTHER SPECIAL TERMS AND CONDITIONS
1.5 COMPENSATION

AGREEMENT made as of the Twenty-second day of March in the year Two Thousand Six

IN the Architect's client identified as the Owner, address and other information

Petal
est Eighth Street
Petal Ms 39465
Telephone Number: 601-545-1776
Fax Number: 601-5456685

and the Architect:
(Name, address and other information)

Griffin Architecture, Sole Proprietorship
455 Lynn Ray Road
Petal, MS 39465
Telephone Number: 601-554-8200
Fax Number: 601-554-8576

For the following Project:
(Include detailed description of Project)

06005 City of Petal - New Ballparks
Petal, Mississippi
Facilities related to a new ballpark for the City of Petal

The Owner and Architect agree as follows:

ADDITIONS AND DELETIONS:
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

EXHIBIT "E"

ARTICLE 1.1 INITIAL INFORMATION
1.1.1 This Agreement is based on the following information and assumptions:
(a) the disposition for the following items by inserting the requested information or a statement such as "not applicable," "unknown at time of execution" or "to be determined later by mutual agreement."

1.1.2 PROJECT PARAMETERS
1.1.2.1 The objective or use is:
(Identify or describe, if appropriate, proposed use or goals.)

Concessions and restrooms plus other miscellaneous functions

1.1.2.2 The physical parameters are:
(Identify or describe, if appropriate, size, location, dimensions, or other pertinent information, such as geotechnical reports about the site.)

unknown at the time of execution

1.1.2.3 The Owner's Program is:
(Identify documentation or state the manner in which the program will be developed.)

unknown at the time of execution

1.1.2.4 The legal parameters are:
(Identify pertinent legal information, including, if appropriate, land surveys and legal descriptions and restrictions of the site.)

1.1.2.5 The financial parameters are as follows.
1. Amount of the Owner's overall budget for the Project, including the Architect's compensation, is:
unknown at time of execution of this Agreement
2. Amount of the Owner's budget for the Cost of the Work, excluding the Architect's compensation, is:
unknown at time of execution of this Agreement

1.1.2.6 The time parameters are:
(Identify, if appropriate, milestone dates, durations or fast track scheduling.)

unknown at the time of execution

1.1.2.7 The proposed procurement or delivery method for the Project is:
(Identify method such as competitive bid, negotiated contract, or construction management.)

Competitive bids

1.1.2.8 Other parameters are:
(Identify special characteristics or needs of the Project such as energy, environmental or historic preservation requirements.)

1.1.3 PROJECT TEAM

1.1.3.1 The Owner's Designated Representative is:
(List name, address and other information.)

Carl Scott
119 West Eighth Street
Petal Ms 39465

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1.1.3.2 The persons or entities, in addition to the Owner's Designated Representative, who are required to review the Architect's submittals to the Owner are:
(List name, address and other information.)

1.1.3.3 The Owner's other consultants and contractors are:
(List discipline and, if known, identify them by name and address.)

1.1.3.4 The Architect's Designated Representative is:
(List name, address and other information.)

Lewis Griffin, AIA

1.1.3.5 The consultants retained at the Architect's expense are:
(List disciplines and, if known, identify them by name and address.)

Structural Engineer
Mechanical Engineer
Electrical Engineer

1.1.4 Other important initial information is:

1.1.5 When the services under this Agreement include contract administration services, the General Conditions of the Contract for Construction shall be the edition of AIA Document A201 current as of the date of this Agreement, or as follows:

1.1.6 The information contained in this Article 1.1 may be reasonably relied upon by the Owner and Architect in determining the Architect's compensation. Both parties, however, recognize that such information may change and, in that event, the Owner and the Architect shall negotiate appropriate adjustments in schedule, compensation and Change in Services in accordance with Section 1.3.3.

ARTICLE 1.2 RESPONSIBILITIES OF THE PARTIES

1.2.1 The Owner and the Architect shall cooperate with one another to fulfill their respective obligations under this Agreement. Both parties shall endeavor to maintain good working relationships among all members of the Project team.

1.2.2 OWNER

1.2.2.1 Unless otherwise provided under this Agreement, the Owner shall provide full information in a timely manner regarding requirements for and limitations on the Project. The Owner shall furnish to the Architect, within 15 days after receipt of a written request, information necessary and relevant for the Architect to evaluate, give notice of or enforce lien rights.

1.2.2.2 The Owner shall periodically update the budget for the Project, including that portion allocated for the Cost of the Work. The Owner shall not significantly increase or decrease the overall budget, the portion of the budget at for the Cost of the Work, or contingencies included in the overall budget or a portion of the budget, until the agreement of the Architect to a corresponding change in the Project scope and quality.

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1.2.2.3 The Owner's Designated Representative identified in Section 1.1.3 shall be authorized to act on the Owner's behalf with respect to the Project. The Owner or the Owner's Designated Representative shall render decisions in a timely manner pertaining to documents submitted by the Architect in order to avoid delay in the orderly and sequential progress of the Architect's services.

1.2.2.4 The Owner shall furnish the services of consultants other than those designated in Section 1.1.3 or authorize the Architect to furnish them as a Change in Services when such services are requested by the Architect and are reasonably required by the scope of the Project.

1.2.2.5 Unless otherwise provided in this Agreement, the Owner shall furnish tests, inspections and reports required by law or the Contract Documents, such as geotechnical, structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials.

1.2.2.6 The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

1.2.2.7 The Owner shall provide prompt written notice to the Architect if the Owner becomes aware of any fault or defect in the Project, including any errors, omissions or inconsistencies in the Architect's Instruments of Service.

1.2.3 ARCHITECT

1.2.3.1 The services performed by the Architect, Architect's employees and Architect's consultants shall be as enumerated in Article 1.4.

1.2.3.2 The Architect's services shall be performed as expeditiously as is consistent with professional skill and care and the orderly progress of the Project. The Architect shall submit for the Owner's approval a schedule for the performance of the Architect's services which initially shall be consistent with the time periods established in Section 1.1.2.6 and which shall be adjusted, if necessary, as the Project progresses. This schedule shall include allowances for periods of time required for the Owner's review, for the performance of the Owner's consultants, and for approval of submissions by authorities having jurisdiction over the Project. Time limits established by this schedule approved by the Owner shall not, except for reasonable cause, be exceeded by the Architect or Owner.

1.2.3.3 The Architect's Designated Representative identified in Section 1.1.3 shall be authorized to act on the Architect's behalf with respect to the Project.

1.2.3.4 The Architect shall maintain the confidentiality of information specifically designated as confidential by the Owner, unless withholding such information would violate the law, create the risk of significant harm to the public or prevent the Architect from establishing a claim or defense in an adjudicatory proceeding. The Architect shall require of the Architect's consultants similar agreements to maintain the confidentiality of information specifically designated as confidential by the Owner.

1.2.3.5 Except with the Owner's knowledge and consent, the Architect shall not engage in any activity, or accept any employment, interest or contribution that would reasonably appear to compromise the Architect's professional judgment with respect to this Project.

1.2.3.6 The Architect shall review laws, codes, and regulations applicable to the Architect's services. The Architect shall respond in the design of the Project to requirements imposed by governmental authorities having jurisdiction over the Project.

1.2.3.7 The Architect shall be entitled to rely on the accuracy and completeness of services and information furnished by the Owner. The Architect shall provide prompt written notice to the Owner if the Architect becomes aware of any errors, omissions or inconsistencies in such services or information.

ARTICLE 1.3 TERMS AND CONDITIONS

1.3.1 COST OF THE WORK

1.3.1.1 The Cost of the Work shall be the total cost or, to the extent the Project is not completed, the estimated cost to the Owner of all elements of the Project designed or specified by the Architect.

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§ 1.3.1.2 The Cost of the Work shall include the cost at current market rates of labor and materials furnished by the Owner and equipment designed, specified, selected or specially provided for by the Architect, including the costs of management or supervision of construction or installation provided by a separate construction manager or contractor, plus a reasonable allowance for their overhead and profit. In addition, a reasonable allowance for contingencies shall be included for market conditions at the time of bidding and for changes in the Work.

§ 1.3.1.3 The Cost of the Work does not include the compensation of the Architect and the Architect's consultants, the costs of the land, rights-of-way and financing or other costs that are the responsibility of the Owner.

§ 1.3.2 INSTRUMENTS OF SERVICE

§ 1.3.2.1 Drawings, specifications and other documents, including those in electronic form, prepared by the Architect and the Architect's consultants are Instruments of Service for use solely with respect to this Project. The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service and shall retain all common law, statutory and other reserved rights, including copyrights.

§ 1.3.2.2 Upon execution of this Agreement, the Architect grants to the Owner a nonexclusive license to reproduce the Architect's Instruments of Service solely for purposes of constructing, using and maintaining the Project, provided that the Owner shall comply with all obligations, including prompt payment of all sums when due, under this Agreement. The Architect shall obtain similar nonexclusive licenses from the Architect's consultants consistent with this Agreement. Any termination of this Agreement prior to completion of the Project shall terminate this license. Upon such termination, the Owner shall refrain from making further reproductions of Instruments of Service and shall return to the Architect within seven days of termination all originals and reproductions in the Owner's possession or control. If and upon the date the Architect is adjudged in default of this Agreement, the foregoing license shall be deemed terminated and replaced by a second, nonexclusive license permitting the Owner to authorize other similarly credentialed design professionals to reproduce and, where permitted by law, to make changes, corrections or additions to the Instruments of Service solely for purposes of completing, using and maintaining the Project.

§ 1.3.2.3 Except for the licenses granted in Section 1.3.2.2, no other license or right shall be deemed granted or implied under this Agreement. The Owner shall not assign, delegate, sublicense, pledge or otherwise transfer any license granted herein to another party without the prior written agreement of the Architect. However, the Owner shall be permitted to authorize the Contractor, Subcontractors, Sub-subcontractors and material or equipment suppliers to reproduce applicable portions of the Instruments of Service appropriate to and for use in their execution of the Work by license granted in Section 1.3.2.2. Submission or distribution of Instruments of Service to meet official regulatory requirements or for similar purposes in connection with the Project is not to be construed as publication in derogation of the reserved rights of the Architect and the Architect's consultants. The Owner shall not use the Instruments of Service for future additions or alterations to this Project or for other projects, unless the Owner obtains the prior written agreement of the Architect and the Architect's consultants. Any unauthorized use of the Instruments of Service shall be at the Owner's sole risk and without liability to the Architect and the Architect's consultants.

§ 1.3.2.4 Prior to the Architect providing to the Owner any Instruments of Service in electronic form or the Owner providing to the Architect any electronic data for incorporation into the Instruments of Service, the Owner and the Architect shall by separate written agreement set forth the specific conditions governing the format of such Instruments of Service or electronic data, including any special limitations or licenses not otherwise provided in this Agreement.

§ 1.3.3 CHANGE IN SERVICES

§ 1.3.3.1 Change in Services of the Architect, including services required of the Architect's consultants, may be accomplished after execution of this Agreement, without invalidating the Agreement, if mutually agreed in writing, if required by circumstances beyond the Architect's control, or if the Architect's services are affected as described in Section 1.3.3.2. In the absence of mutual agreement in writing, the Architect shall notify the Owner prior to providing such services. If the Owner deems that all or a part of such Change in Services is not required, the Owner shall give prompt written notice to the Architect, and the Architect shall have no obligation to provide those services. Except for a change due to the fault of the Architect, Change in Services of the Architect shall entitle the

Architect to an adjustment in compensation pursuant to Section 1.5.2, and to any Reimbursable Expenses described in Section 1.3.9.2 and Section 1.5.5.

§ 1.3.3.2 If any of the following circumstances affect the Architect's services for the Project, the Architect shall be entitled to an appropriate adjustment in the Architect's schedule and compensation:

1. change in the instructions or approvals given by the Owner that necessitate revisions in Instruments of Service;
2. enactment or revision of codes, laws or regulations or official interpretations which necessitate changes to previously prepared Instruments of Service;
3. decisions of the Owner not rendered in a timely manner;
4. significant change in the Project including, but not limited to, size, quality, complexity, the Owner's schedule or budget, or procurement method;
5. failure of performance on the part of the Owner or the Owner's consultants or contractors;
6. preparation for and attendance at a public hearing, a dispute resolution proceeding or a legal proceeding except where the Architect is a party thereto;
7. change in the information contained in Article 1.1.

§ 1.3.6 CLAIMS FOR CONSEQUENTIAL DAMAGES

The Architect and the Owner waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement. This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Section 1.3.8.

§ 1.3.7 MISCELLANEOUS PROVISIONS

§ 1.3.7.1 This Agreement shall be governed by the law of the principal place of business of the Architect, unless otherwise provided in Section 1.4.2.

§ 1.3.7.2 Terms in this Agreement shall have the same meaning as those in the edition of AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement.

§ 1.3.7.3 Causes of action between the parties to this Agreement pertaining to acts or failures to act shall be deemed to have accrued and the applicable statutes of limitations shall commence to run not later than either the date of Substantial Completion for acts or failures to act occurring prior to Substantial Completion or the date of issuance of the final Certificate for Payment for acts or failures to act occurring after Substantial Completion. In no event shall such statutes of limitations commence to run any later than the date when the Architect's services are substantially completed.

§ 1.3.7.4 To the extent damages are covered by property insurance during construction, the Owner and the Architect waive all rights against each other and against the contractor, consultants, agents and employees of the other for

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damages, except such rights as they may have to the proceeds of such insurance as set forth in the edition of AIA Document A201, General Conditions of the Contract for Construction, current as of the date of this Agreement. The Owner or the Architect, as appropriate, shall require of the contractor, consultants, agents and employees of any of their similar waivers in favor of the other parties enumerated herein.

§ 1.3.7.5 Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the Owner or Architect.

§ 1.3.7.6 Unless otherwise provided in this Agreement, the Architect and Architect's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of or exposure of persons to hazardous materials or toxic substances in any form at the Project site.

§ 1.3.7.7 The Architect shall have the right to include photographic or artistic representations of the design of the Project among the Architect's promotional and professional materials. The Architect shall be given reasonable access to the completed Project to make such representations. However, the Architect's materials shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Architect in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Architect in the Owner's promotional materials for the Project.

§ 1.3.7.8 If the Owner requests the Architect to execute certificates, the proposed language of such certificates shall be submitted to the Architect for review at least 14 days prior to the requested dates of execution. The Architect shall not be required to execute certificates that would require knowledge, services or responsibilities beyond the scope of this Agreement.

§ 1.3.7.9 The Owner and Architect, respectively, bind themselves, their partners, successors, assigns and legal representatives to the other party to this Agreement and to the partners, successors, assigns and legal representatives of such other party with respect to all covenants of this Agreement. Neither the Owner nor the Architect shall assign this Agreement without the written consent of the other, except that the Owner may assign this Agreement to an institutional lender providing financing for the Project. In such event, the lender shall assume the Owner's rights and obligations under this Agreement. The Architect shall execute all consents reasonably required to facilitate such assignment.

§ 1.3.8 TERMINATION OR SUSPENSION

§ 1.3.8.1 If the Owner fails to make payments to the Architect in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination or, at the Architect's option, cause for suspension of performance of services under this Agreement. If the Architect elects to suspend services, prior to suspension of services, the Architect shall give seven days' written notice to the Owner. In the event of a suspension of services, the Architect shall have no liability to the Owner for delay or damage caused the Owner because of such suspension of services. Before resuming services, the Architect shall be paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 1.3.8.2 If the Project is suspended by the Owner for more than 30 consecutive days, the Architect shall be compensated for services performed prior to notice of such suspension. When the Project is resumed, the Architect shall be compensated for expenses incurred in the interruption and resumption of the Architect's services. The Architect's fees for the remaining services and the time schedules shall be equitably adjusted.

§ 1.3.8.3 If the Project is suspended or the Architect's services are suspended for more than 90 consecutive days, the Architect may terminate this Agreement by giving not less than seven days' written notice.

§ 1.3.8.4 This Agreement may be terminated by either party upon not less than seven days' written notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 1.3.8.5 This Agreement may be terminated by the Owner upon not less than seven days' written notice to the Architect for the Owner's convenience and without cause.

§ 1.3.8.6 In the event of termination not the fault of the Architect, the Architect shall be compensated for services performed prior to termination, together with Reimbursable Expenses then due and all Termination Expenses as defined in Section 1.3.8.7.

§ 1.3.8.7 Termination Expenses are in addition to compensation for the services of the Agreement and include expenses directly attributable to termination for which the Architect is not otherwise compensated, plus an amount for the Architect's anticipated profit on the value of the services not performed by the Architect.

§ 1.3.9 PAYMENTS TO THE ARCHITECT

§ 1.3.9.1 Payments on account of services completed and for Reimbursable Expenses incurred shall be made monthly upon presentation of the Architect's statement of services. No deductions shall be made from the Architect's compensation on account of prepay, liquidated damages or other sums withheld from payments to construction, or on account of the cost of changes in the Work other than those for which the Architect has been adjudged to be liable.

§ 1.3.9.2 Reimbursable Expenses are in addition to compensation for the Architect's services and include expenses incurred by the Architect and Architect's employees and consultants directly related to the Project, as identified in the following Classes:

1. transportation in connection with the Project, authorized out-of-town travel and subsistence, and electronic communications;
2. fees paid for securing approval of authorities having jurisdiction over the Project;
3. reproductions, plots, standard form documents, postage, handling and delivery of Instruments of Service;
4. expenses of overtime work requiring higher than regular rates if authorized in advance by the Owner;
5. rentals, mobile and mock-ups requested by the Owner;
6. expense of professional liability insurance effected exclusively to this Project or the expense of additional insurance coverage or limits requested by the Owner in excess of that normally carried by the Architect and the Architect's consultants;
7. reimbursable expenses as designated in Section 1.5.5;
8. other similar direct Project-related expenditures.

§ 1.3.9.3 Records of Reimbursable Expenses, of expenses pertaining to a Change in Services, and of services performed on the basis of hourly rates or a multiple of Direct Personnel Expense shall be available to the Owner or the Owner's authorized representative at mutually convenient times.

§ 1.3.9.4 Direct Personnel Expense is defined as the direct salaries of the Architect's personnel engaged on the Project and the portion of the cost of their mandatory and customary contributions and benefits related thereto, such as employment taxes and other statutory employee benefits, insurance, sick leave, holidays, vacations, employee retirement plans and similar contributions.

ARTICLE 1.4 SCOPE OF SERVICES AND OTHER SPECIAL TERMS AND CONDITIONS

§ 1.4.1 Enumeration of Parts of the Agreement. This Agreement represents the entire and integrated agreement between the Owner and the Architect and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Architect. This Agreement comprises the documents listed below.

§ 1.4.1.1 Standard Form of Agreement Between Owner and Architect, AIA Document B141-1997.

§ 1.4.1.2 Standard Form of Architect's Services: Design and Contract Administration, AIA Document B141-1997, or its follow-on:  
(List other documents, if any, delineating Architect's scope of services.)

§ 1.4.1.3 Other documents as follow:  
(List other documents, if any, forming part of the Agreement.)

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§ 1.4.2 Special Terms and Conditions. Special terms and conditions that modify this Agreement are as follows:

- 1.3.7.10 The prevailing party in any dispute arising out of or related to this agreement or the breach thereof shall be entitled to reasonable attorney's fees, expert fees and expenses.
- 1.4.2.2 Neither the architect, the architect's consultants nor their agents or employees shall be jointly or individually liable to the Owner in an amount in excess of currently maintained liability coverage carried by the architect.

ARTICLE 1.5 COMPENSATION

§ 1.5.1 For the Architect's services as described under Article 1.4, compensation shall be computed as follows:

Basic Service 5% of the Cost of the Work Article 1.3.1.1 which costs include services performed in connection with alternates whether or not accepted by the Owner.

Progress Payments for Basic Services in each phase shall total the following percentage of the total Basic Compensation payable and shall be billed monthly:

Schematic Design	Thirty five percent (35%)
Design Development	Twenty five percent (25%)
Construction Documents	Fifteen percent (15%)
Bidding Phase	Five Percent (5%)
Construction Administration	Twenty Percent (20%)

If the services of the Architect are changed as described in Section 1.3.3.1, the Architect's compensation shall be adjusted. Such adjustment shall be calculated as described below or, if no method of adjustment is indicated in Section 1.5.2, in an equitable manner.  
basis of compensation, including rates and multiples of Direct Personal Expense for Principals and employees, and identify Principals and classify employees, if required. Identify specific services to which particular methods of compensation apply.)

§ 1.5.3 For a Change in Services of the Architect's consultants, compensation shall be computed as a multiple of One and two-tenths ( 1.20 ) times the amounts billed to the Architect for such services.

§ 1.5.4 For Reimbursable Expenses as described in Section 1.3.9.2, and any other items included in Section 1.5.5 as Reimbursable Expenses, the compensation shall be computed as a multiple of One and two-tenths ( 1.20 ) times the expenses incurred by the Architect, and the Architect's employees and consultants.

§ 1.5.5 Other Reimbursable Expenses, if any, are as follows:

§ 1.5.6 The rates and multiples for services of the Architect and the Architect's consultants as set forth in this Agreement shall be adjusted in accordance with their normal salary review practices.

§ 1.5.7 An initial payment of ( \$ ) shall be made upon execution of this Agreement and is the minimum payment under this Agreement. It shall be credited to the Owner's account at final payment. Subsequent payments for services shall be made monthly, and where applicable, shall be in proportion to services performed on the basis set forth in this Agreement.

§ 1.5.8 Payments are due and payable Thirty ( 30 ) days from the date of the Architect's invoice. Amounts unpaid thirty ( 60 ) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Architect.

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EXHIBIT "E"

§ 1.5.9 If the services covered by this Agreement have not been completed within Eighteen ( 18 ) months of the date hereof, through no fault of the Architect, extension of the Architect's services beyond that time shall be compensated as provided in Section 1.5.2.

This Agreement entered into as of the day and year first written above.

OWNER

(Signature)  
Carl Scott, Mayor  
(Printed name and title)

ARCHITECT

(Signature)  
Yewis Griffin, AIA, Owner  
(Printed name and title)

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AIA Document B141™ - 1997 Part 2

Standard Form of Architect's Services:  
Design and Contract Administration

TABLE OF ARTICLES

- 2.1 PROJECT ADMINISTRATION SERVICES
- 2.2 SUPPORTING SERVICES
- 2.3 EVALUATION AND PLANNING SERVICES
- 2.4 DESIGN SERVICES
- 2.5 CONSTRUCTION PROCUREMENT SERVICES
- 2.6 CONTRACT ADMINISTRATION SERVICES
- 2.7 FACILITY OPERATION SERVICES
- 2.8 SCHEDULE OF SERVICES
- 2.9 MODIFICATIONS

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An Additions and Deletions Report that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

ARTICLE 2.1 PROJECT ADMINISTRATION SERVICES

§ 2.1.1 The Architect shall manage the Architect's services and administer the Project. The Architect shall consult with the Owner, research applicable design criteria, attend Project meetings, communicate with members of the Project team and issue progress reports. The Architect shall coordinate the services provided by the Architect and the Architect's consultants with those services provided by the Owner and the Owner's consultants.

§ 2.1.2 When Project requirements have been sufficiently identified, the Architect shall prepare, and periodically update, a Project schedule that shall identify milestone dates for decisions required by the Owner, design services furnished by the Architect, completion of documentation provided by the Architect, commencement of construction and Substantial Completion of the Work.

§ 2.1.3 The Architect shall consider the value of alternative materials, building systems and equipment, together with other considerations based on program, budget and aesthetics in developing the design for the Project.

§ 2.1.4 Upon request of the Owner, the Architect shall make a presentation to explain the design of the Project to representatives of the Owner.

§ 2.1.5 The Architect shall submit design documents to the Owner at intervals appropriate to the design process for purposes of evaluation and approval by the Owner. The Architect shall be entitled to rely on approvals received from the Owner in the further development of the design.

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§ 2.1.6 The Architect shall assist the Owner in connection with the Owner's responsibility for filing documents required for the approval of governmental authorities having jurisdiction over the Project.

§ 2.1.7 EVALUATION OF BUDGET AND COST OF THE WORK

§ 2.1.7.1 When the Project requirements have been sufficiently identified, the Architect shall prepare a preliminary estimate of the Cost of the Work. This estimate may be based on current area, volume or similar conceptual estimating techniques. As the design process progresses through the end of the preparation of the Construction Documents, the Architect shall update and refine the preliminary estimate of the Cost of the Work. The Architect shall advise the Owner of any adjustments to previous estimates of the Cost of the Work indicated by changes in Project requirements or general market conditions. If at any time the Architect's estimate of the Cost of the Work exceeds the Owner's budget, the Architect shall make appropriate recommendations to the Owner to adjust the Project's size, quality or budget, and the Owner shall cooperate with the Architect in making such adjustments.

§ 2.1.7.2 Evaluations of the Owner's budget for the Project, the preliminary estimate of the Cost of the Work and updated estimates of the Cost of the Work prepared by the Architect represent the Architect's judgment as a design professional familiar with the construction industry. It is recognized, however, that neither the Architect nor the Owner has control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding, market or negotiating conditions. Accordingly, the Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from the Owner's budget for the Project or from any estimate of the Cost of the Work or evaluation prepared or agreed to by the Architect.

§ 2.1.7.3 In preparing estimates of the Cost of the Work, the Architect shall be permitted to include contingencies for design, bidding and price escalation; to determine what materials, equipment, component systems and types of construction are to be included in the Contract Documents; to make reasonable adjustments in the scope of the Project and to include in the Contract Documents alternate bids as may be necessary to adjust the estimated Cost of the Work to meet the Owner's budget for the Cost of the Work. If an increase in the Contract Sum occurring after execution of the Contract between the Owner and the Contractor causes the budget for the Cost of the Work to be exceeded, that budget shall be increased accordingly.

§ 2.1.7.4 If bidding or negotiation has not commenced within 90 days after the Architect submits the Construction Documents to the Owner, the budget for the Cost of the Work shall be adjusted to reflect changes in the general level of prices in the construction industry.

§ 2.1.7.5 If the budget for the Cost of the Work is exceeded by the lowest bona fide bid or negotiated proposal, the Owner shall:

- 1. give written approval of an increase in the budget for the Cost of the Work;
- 2. authorize rebidding or renegotiating of the Project within a reasonable time;
- 3. terminate in accordance with Section 1.3.8.5; or
- 4. cooperate in revising the Project scope and quality as required to reduce the Cost of the Work.

§ 2.1.7.6 If the Owner chooses to proceed under Section 2.1.7.5.4, the Architect, without additional compensation, shall modify the documents for which the Architect is responsible under this Agreement as necessary to comply with the budget for the Cost of the Work. The modification of such documents shall be the limit of the Architect's responsibility under this Section 2.1.7. The Architect shall be entitled to compensation in accordance with this Agreement for all services performed whether or not construction is commenced.

ARTICLE 2.2 SUPPORTING SERVICES

§ 2.2.1 Unless specifically designated in Section 2.8.3, the services in this Article 2.2 shall be provided by the Owner or the Owner's consultants and contractors.

§ 2.2.1.1 The Owner shall furnish a program setting forth the Owner's objectives, schedule, constraints and criteria, including space requirements and relationships, special equipment, systems and site requirements.

§ 2.2.1.2 The Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site;

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locations, dimensions and necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 2.2.1.3 The Owner shall furnish services of geotechnical engineers which may include but are not limited to test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsol conditions, with reports and appropriate recommendations.

#### ARTICLE 2.3 EVALUATION AND PLANNING SERVICES

§ 2.3.1 The Architect shall provide a preliminary evaluation of the information furnished by the Owner under this Agreement, including the Owner's program and schedule requirements and budget for the Cost of the Work, each in terms of the other. The Architect shall review such information to ascertain that it is consistent with the requirements of the Project and shall notify the Owner of any other information or consultant services that may be reasonably needed for the Project.

§ 2.3.2 The Architect shall provide a preliminary evaluation of the Owner's site for the Project based on the information provided by the Owner of site conditions, and the Owner's program, schedule and budget for the Cost of the Work.

§ 2.3.3 The Architect shall review the Owner's proposed method of contracting for construction services and shall notify the Owner of anticipated impacts that such method may have on the Owner's program, financial and time requirements, and the scope of the Project.

#### ARTICLE 2.4 DESIGN SERVICES

§ 2.4.1 The Architect's design services shall include normal structural, mechanical and electrical engineering services.

##### § 2.4.2 SCHEMATIC DESIGN DOCUMENTS

§ 2.4.2.1 The Architect shall provide Schematic Design Documents based on the mutually agreed-upon program, schedule, and budget for the Cost of the Work. The documents shall establish the conceptual design of the Project illustrating the scale and relationship of the Project components. The Schematic Design Documents shall include a conceptual site plan, if appropriate, and preliminary building plans, sections and elevations. At the Architect's option, the Schematic Design Documents may include study models, perspective sketches, electronic modeling or combinations of these media. Preliminary selections of major building systems and construction materials shall be noted on the drawings or described in writing.

##### § 2.4.3 DESIGN DEVELOPMENT DOCUMENTS

§ 2.4.3.1 The Architect shall provide Design Development Documents based on the approved Schematic Design Documents and updated budget for the Cost of the Work. The Design Development Documents shall illustrate and describe the refinement of the design of the Project, establishing the scope, relationships, forms, size and appearance of the Project by means of plans, sections and elevations, typical construction details, and equipment layouts. The Design Development Documents shall include specifications that identify major materials and systems and establish in general their quality levels.

##### § 2.4.4 CONSTRUCTION DOCUMENTS

§ 2.4.4.1 The Architect shall provide Construction Documents based on the approved Design Development Documents and updated budget for the Cost of the Work. The Construction Documents shall set forth in detail the requirements for construction of the Project. The Construction Documents shall include Drawings and Specifications that establish in detail the quality levels of materials and systems required for the Project.

§ 2.4.4.2 During the development of the Construction Documents, the Architect shall assist the Owner in the development and preparation of: (1) bidding and procurement information which describes the time, place and conditions of bidding; bidding or proposal forms; and the form of agreement between the Owner and the Contractor; and (2) the Conditions of the Contract for Construction (General, Supplementary and other Conditions). The Architect also shall compile the Project Manual that includes the Conditions of the Contract for Construction and Specifications and may include bidding requirements and sample forms.

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§ 2.5.1 The Architect shall assist the Owner in obtaining either competitive bids or negotiated proposals and shall assist the Owner in awarding and preparing contracts for construction.

§ 2.5.2 The Architect shall assist the Owner in establishing a list of prospective bidders or contractors.

§ 2.5.3 The Architect shall assist the Owner in bid validation or proposal evaluation and determination of the successful bid or proposal, if any. If requested by the Owner, the Architect shall notify all prospective bidders or contractors of the bid or proposal results.

##### § 2.5.4 COMPETITIVE BIDDING

§ 2.5.4.1 Bidding Documents shall consist of bidding requirements, proposed contract forms, General Conditions and Supplementary Conditions, Specifications and Drawings.

§ 2.5.4.2 If requested by the Owner, the Architect shall arrange for procuring the reproduction of Bidding Documents for distribution to prospective bidders. The Owner shall pay directly for the cost of reproduction or shall reimburse the Architect for such expenses.

§ 2.5.4.3 If requested by the Owner, the Architect shall distribute the Bidding Documents to prospective bidders and request their return upon completion of the bidding process. The Architect shall maintain a log of distribution and receipt, and the amounts of deposits, if any, received from and returned to prospective bidders.

§ 2.5.4.4 The Architect shall consider requests for substitutions, if permitted by the Bidding Documents, and shall prepare and distribute addenda identifying approved substitutions to all prospective bidders.

§ 2.5.4.5 The Architect shall participate in or, at the Owner's direction, shall organize and conduct a pre-bid conference for prospective bidders.

§ 2.5.4.6 The Architect shall prepare responses to questions from prospective bidders and provide clarifications and interpretations of the Bidding Documents to all prospective bidders in the form of addenda.

§ 2.5.4.7 The Architect shall participate in or, at the Owner's direction, shall organize and conduct the opening of the bids. The Architect shall subsequently document and distribute the bidding results, as directed by the Owner.

##### § 2.5.5 NEGOTIATED PROPOSALS

§ 2.5.5.1 Proposal Documents shall consist of proposal requirements, proposed contract forms, General Conditions and Supplementary Conditions, Specifications and Drawings.

§ 2.5.5.2 If requested by the Owner, the Architect shall arrange for procuring the reproduction of Proposal Documents for distribution to prospective contractors. The Owner shall pay directly for the cost of reproduction or shall reimburse the Architect for such expenses.

§ 2.5.5.3 If requested by the Owner, the Architect shall organize and participate in selection interviews with prospective contractors.

§ 2.5.5.4 The Architect shall consider requests for substitutions, if permitted by the Proposal Documents, and shall prepare and distribute addenda identifying approved substitutions to all prospective contractors.

§ 2.5.5.5 If requested by the Owner, the Architect shall assist the Owner during negotiations with prospective contractors. The Architect shall subsequently prepare a summary report of the negotiation results, as directed by the Owner.

#### ARTICLE 2.6 CONTRACT ADMINISTRATION SERVICES

##### § 2.6.1 GENERAL ADMINISTRATION

§ 2.6.1.1 The Architect shall provide administration of the Contract between the Owner and the Contractor as set forth below and in the edition of AIA Document A201, General Conditions of the Contract for Construction, current

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as of the date of this Agreement. Modifications made to the General Conditions, when adopted as part of the Contract Documents, shall be limited to those modifications to this Agreement only to the extent that they are consistent with this Agreement or approved in writing by the Architect.

§ 2.6.1.2 The Architect's responsibility to provide the Contract Administration Services under this Agreement commences with the award of the initial Contract for Construction and terminates at the issuance to the Owner of the final Certificate for Payment. However, the Architect shall be entitled to a Change in Services in accordance with Section 2.8.2 when Contract Administration Services extend 60 days after the date of Substantial Completion of the Work.

§ 2.6.1.3 The Architect shall be a representative of and shall advise and consult with the Owner during the provision of the Contract Administration Services. The Architect shall have authority to act on behalf of the Owner only to the extent provided in this Agreement unless otherwise modified by written amendment.

§ 2.6.1.4 Duties, responsibilities and limitations of authority of the Architect under this Article 2.6 shall not be restricted, modified or extended without written agreement of the Owner and Architect with consent of the Contractor, which consent will not be unreasonably withheld.

§ 2.6.1.5 The Architect shall review properly prepared, timely requests by the Contractor for additional information about the Contract Documents. A properly prepared request for additional information about the Contract Documents shall be in a form prepared or approved by the Architect and shall include a detailed written statement that indicates the specific Drawings or Specifications in need of clarification and the nature of the clarification requested.

§ 2.6.1.6 If deemed appropriate by the Architect, the Architect shall on the Owner's behalf prepare, reproduce and distribute supplemental Drawings and Specifications in response to requests for information by the Contractor.

§ 2.6.1.7 The Architect shall interpret and decide matters concerning performance of the Owner and Contractor under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests shall be made in writing within any time limits agreed upon or otherwise with reasonable promptness.

§ 2.6.1.8 Interpretations and decisions of the Architect shall be consistent with the intent of and reasonably inferable from the Contract Documents and shall be in writing or in the form of drawings. When making such interpretations and initial decisions, the Architect shall endeavor to secure faithful performance by both Owner and Contractor, shall not show partiality to either, and shall not be liable for the results of interpretations or decisions so rendered in good faith.

§ 2.6.1.9 The Architect shall render initial decisions on claims, disputes or other matters in question between the Owner and Contractor as provided in the Contract Documents. However, the Architect's decisions on matters relating to aesthetic effect shall be final if consistent with the intent expressed in the Contract Documents.

##### § 2.6.2 EVALUATIONS OF THE WORK

§ 2.6.2.1 The Architect, as a representative of the Owner, shall visit the site at intervals appropriate to the stage of the Contractor's operations, or as otherwise agreed by the Owner and the Architect in Article 2.8, (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect shall not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect shall neither have control over or charge of, nor be responsible for, the construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

§ 2.6.2.2 The Architect shall report to the Owner known deviations from the Contract Documents and from the most recent construction schedule submitted by the Contractor. However, the Architect shall not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The

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Architect shall be responsible for the Architect's negligent acts or omissions, but shall not have control over or charge of and shall not be responsible for acts or omissions of the Owner, Contractor, Subcontractors, or their agents or employees, or of any other persons or entities performing portions of the Work.

§ 2.6.2.3 The Architect shall at all times have access to the Work wherever it is in preparation or progress.

§ 2.6.2.4 Except as otherwise provided in this Agreement or when direct communications have been specially authorized, the Owner shall endeavor to communicate with the Contractor through the Architect about matters relating to or relating to the Contract Documents. Communications by and with the Architect's consultants shall be through the Architect.

§ 2.6.2.5 The Architect shall have authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with the provisions of the Contract Documents, whether or not such Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, material and equipment suppliers, their agents or employees or other persons or entities performing portions of the Work.

##### § 2.6.3 CERTIFICATION OF PAYMENTS TO CONTRACTOR

§ 2.6.3.1 The Architect shall review and certify the amounts due the Contractor and shall issue Certificates for Payment in such amounts. The Architect's certification for payment shall constitute a representation to the Owner, based on the Architect's evaluation of the Work as provided in Section 2.6.2 and on the data comprising the Contractor's Application for Payment, that the Work has progressed to the point indicated and that, to the best of the Architect's knowledge, information and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject (1) to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, (2) to results of subsequent tests and inspections, (3) to correction of minor deviations from the Contract Documents prior to completion, and (4) to specific qualifications expressed by the Architect.

§ 2.6.3.2 The issuance of a Certificate for Payment shall not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work, (2) reviewed construction means, methods, techniques, sequences or procedures, (3) reviewed copies of requisitions received from Subcontractors and material suppliers and other data requested by the Owner to substantiate the Contractor's right to payment, or (4) ascertained how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

§ 2.6.3.3 The Architect shall maintain a record of the Contractor's Applications for Payment.

##### § 2.6.4 SUBMITTALS

§ 2.6.4.1 The Architect shall review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action shall be taken with such reasonable promptness as to cause no unreasonable delay in the Work or in the activities of the Owner, Contractor or separate contractors, while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review shall not constitute approval of safety precautions or, unless otherwise specifically stated by the Architect, of any construction means, methods, techniques, sequences or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 2.6.4.2 The Architect shall maintain a record of submittals and copies of submittals supplied by the Contractor in accordance with the requirements of the Contract Documents.

§ 2.6.4.3 If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Architect shall specify

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EXHIBIT "E"

appropriate performance and design criteria that such services must satisfy. Shop Drawings and other submittals related to the Work designed or certified by the design professional retained by the Contractor shall bear such professional's written approval when submitted to the Architect. The Architect shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals.

2.6.5 CHANGES IN THE WORK

2.6.5.1 The Architect shall prepare Change Orders and Construction Change Directives for the Owner's approval and execution in accordance with the Contract Documents. The Architect may authorize minor changes in the Work not involving an adjustment in Contract Sum or an extension of the Contract Time which are consistent with the intent of the Contract Documents. If necessary, the Architect shall prepare, reproduce and distribute Drawings and Specifications to describe Work to be added, deleted or modified, as provided in Section 2.8.2.

2.6.5.2 The Architect shall review properly prepared, timely requests by the Owner or Contractor for changes in the Work, including adjustments to the Contract Sum or Contract Time. A properly prepared request for a change in the Work shall be accompanied by sufficient supporting data and information to permit the Architect to make a reasonable determination without extensive investigation or preparation of additional drawings or specifications. If the Architect determines that requested changes in the Work are not materially different from the requirements of the Contract Documents, the Architect may issue an order for a minor change in the Work or recommend to the Owner that the requested change be denied.

2.6.5.3 If the Architect determines that implementation of the requested changes would result in a material change to the Contract that may cause an adjustment in the Contract Time or Contract Sum, the Architect shall make a recommendation to the Owner, who may authorize further investigation of such change. Upon such authorization, and based upon information furnished by the Contractor, if any, the Architect shall estimate the additional cost and that might result from such change, including any additional costs attributable to a Change Order or other late documentation for the Owner's execution or negotiation with the Contractor.

4 The Architect shall maintain records relative to changes in the Work.

2.6.6 PROJECT COMPLETION

2.6.6.1 The Architect shall conduct inspections to determine the date or dates of Substantial Completion and the date of final completion, shall receive from the Contractor and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract Documents and assembled by the Contractor, and shall issue a final Certificate for Payment based upon a final inspection indicating the Work complies with the requirements of the Contract Documents.

2.6.6.2 The Architect's inspection shall be conducted with the Owner's Designated Representative to check conformance of the Work with the requirements of the Contract Documents and to verify the accuracy and completeness of the list submitted by the Contractor of Work to be completed or corrected.

2.6.6.3 When the Work is found to be substantially complete, the Architect shall inform the Owner about the balance of the Contract Sum remaining to be paid the Contractor, including any amounts needed to pay for final completion or correction of the Work.

2.6.6.4 The Architect shall receive from the Contractor and forward to the Owner: (1) consent of surety or sureties, if any, to reduction in or partial release of retainage or the making of final payment and (2) affidavits, receipts, releases and waivers of liens or bonds indemnifying the Owner against liens.

ARTICLE 2.7 FACILITY OPERATION SERVICES

2.7.1 The Architect shall meet with the Owner or the Owner's Designated Representative promptly after Substantial Completion to review the need for facility operation services.

2.7.2 Upon request of the Owner and at the Owner's expense as a change in service, and prior to the expiration of one year from the date of Substantial Completion, the Architect shall conduct a meeting with the Owner and the

TABLE 2.8 SCHEDULE OF SERVICES

2.8.1 Design and Contract Administration Services beyond the following limits shall be provided by the Architect as a Change in Services in accordance with Section 1.3.3:

- 1 up to Two ( 2 ) reviews of each Shop Drawing, Product Data item, sample and similar submittal of the Contractor.
- 2 up to One ( 1 ) visits to the site per week by the Architect over the duration of the Project during construction.
- 3 up to Two ( 2 ) inspections for any portion of the Work to determine whether such portion of the Work is substantially complete in accordance with the requirements of the Contract Documents.
- 4 up to Two ( 2 ) inspections for any portion of the Work to determine final completion.

2.8.2 The following Design and Contract Administration Services shall be provided by the Architect as a Change in Services in accordance with Section 1.3.3:

- 1 review of a Contractor's submittal out of sequence from the submittal schedule agreed to by the Architect;
- 2 responses to the Contractor's requests for information where such information is available to the Contractor from a careful study and comparison of the Contract Documents, field conditions, other Owner-provided information, Contractor-prepared coordination drawings, or prior Project correspondence or documentation;
- 3 Change Orders and Construction Change Directives requiring evaluation of proposals, including the preparation or revision of Instruments of Service;
- 4 providing consultation concerning replacement of Work resulting from fire or other cause during construction;
- 5 evaluation of an extensive number of claims submitted by the Owner's consultants, the Contractor or others in connection with the Work;
- 6 evaluation of substitutions proposed by the Owner's consultants or contractors and making subsequent revisions to Instruments of Service resulting therefrom;
- 7 preparation of design and documentation for alternate bid or proposal requests proposed by the Owner; or
- 8 Contract Administration Services provided 60 days after the date of Substantial Completion of the Work.

2.8.3 The Architect shall furnish or provide the following services only if specifically designated:

Services	Responsibility (Architect, Owner or Not Provided)	Location of Service Description
1 Programming	NA	
2 Land Survey Services	Owner	
3 Geotechnical Services	Owner	
4 Space Schematics/Flow Diagrams	NA	
5 Existing Facilities Surveys	NA	
6 Economic Feasibility Studies	NA	
7 Site Analysis and Selection	NA	
8 Environmental Studies and Reports	Owner	
9 Owner-Supplied Data Coordination	Owner	
10 Schedule Development and Monitoring	NA	
11 Civil Design	NA	
12 Landscape Design	NA	
13 Interior Design	NA	
14 Special Bidding or Negotiation	NA	
15 Value Analysis	NA	

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Services	Responsibility (Architect, Owner or Not Provided)	Location of Service Description
16 Detailed Cost Estimating	NA	
17 On-Site Project Representation	NA	
18 Construction Management	NA	
19 Start-Up Assistance	NA	
20 Record Drawings	NA	
21 Post-Contract Evaluation	NA	
22 Tenant-Related Services	NA	
23		
24		
25		


Description of Services.  
(Insert descriptions of the services designated.)

ARTICLE 2.9 MODIFICATIONS

2.9.1 Modifications to this Standard Form of Architect's Services: Design and Contract Administration, if any, are as follows:

By its execution, this Standard Form of Architect's Services: Design and Contract Administration and modifications hereto are incorporated into the Standard Form of Agreement Between the Owner and Architect, AIA Document B141-1997, that was entered into by the parties as of the date: MARCH 22, 2006

OWNER:   
(Signature)  
Carl Scott, Mayor  
(Printed name and title)

ARCHITECT:   
(Signature)  
Kevin Griffin, AIA, Owner  
(Printed name and title)

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MISSISSIPPI DEPARTMENT OF ENVIRONMENTAL QUALITY  
GRANT APPLICATION  
PART I. GENERAL INFORMATION

1. Name of Applicant City of Petal

2. Address of Applicant P.O. Box 564, 119 West 8th Avenue  
City Petal State MS ZIP 39465

3. Telephone No. of Applicant 601-545-1776

4. Contact Person Carl Scott, Mayor

5. Address of Contact Person (if different than applicant) \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_

6. Telephone No. of Contact Person 601-545-1776

7. Grant Request Category:  
 a. Local Government Solid Waste Assistance Grant (attach Part 2a)  
 b. Local Government Waste Tire Grant (attach Part 2b)  
 c. Solid Waste Planning Grant (attach 2c)

8. Descriptive Title of Project/Program City of Petal Beautification and Solid Waste Management Program

9. If applicant is a regional solid waste management authority applying on behalf of more than one county, list the counties which the authority is representing in this application:  
\_\_\_\_\_  
\_\_\_\_\_

10. Is applicant in violation of, or delinquent on, any condition of a previously awarded grant or loan from this Department?  yes  no (If yes, please attach an explanation)

11. Does the applicant have any other grant request pending or an active grant award with the Department. If yes, please indicate which type of grant and the grant identification number:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Other Grant Funds (attach explanation) (Grant No. \_\_\_\_\_)

To the best of my knowledge and belief, I certify that the information provided in this application including attachments is true, accurate, and correct. I further certify that I possess the authority to apply for this grant on behalf of the applicant.

\_\_\_\_\_  
Name of Authorized Representative (Please type or print) Carl Scott  
\_\_\_\_\_  
Mayor, City of Petal  
\_\_\_\_\_  
Title of Authorized Representative (Please type or print) Mayor, City of Petal  
\_\_\_\_\_  
Date 5-28-06

CITY OF PETAL  
MINUTE BOOK 25

EXHIBIT "F"

SOLE SOURCE ASSISTANCE GRANT REQUEST  
PART 2

1. Grant Applicant: City of Petal 522

Grant Project Title: City of Petal Beautification and Solid Waste Management Program

2. Please check one or more of the following activities which the applicant intends to conduct with the requested funds and include an estimate of the total funds needed to conduct the activity. Also, attach a more detailed proposed breakdown of how the funds will be used, such as costs for construction, equipment, personnel, administration, etc.. (Note that no more than 3% of the funds may be used for administration of the grant.)

	Funds Requested
<input checked="" type="checkbox"/> A. Cleanup of existing and/or future unauthorized dumps on public or private property	\$ 5,000.00
<input type="checkbox"/> B. Establishment of a collection center or program for white goods, recyclables or other bulky rubbish waste not managed by local residential solid waste collection programs	\$ _____
<input checked="" type="checkbox"/> C. Provision of public notice and education related to the proper management of solid waste, including recycling	\$ 3,000
<input type="checkbox"/> D. Payment of up to 50% of the cost of employing a local solid waste enforcement officer	\$ _____
<input checked="" type="checkbox"/> E. Development of other local solid waste management program activities associated with the prevention, enforcement or abatement of unauthorized dumps, as approved by the commission	\$ 7,000
<b>TOTAL FUNDS REQUESTED</b>	<b>\$ 15,000</b>

3. Please attach a narrative description for each part of Section 2 checked above, indicating how the applicant proposes to conduct the activities with the funds requested.

- If the activity includes Section 2.A., the description must identify the primary solid waste management facilities that will be utilized to ensure proper management of all solid wastes. The description must also identify the person or office that will be responsible for making a reasonable effort to require any known person(s) responsible for creating an unauthorized dump to clean up the property before the applicant expends money from the grant funds to do so and the person or office that will be responsible on behalf of the applicant for making a reasonable effort to recover from the responsible person any funds expended by the applicant.
- If the activity includes Section 2.B., the description should identify the location of any proposed collection center, if known, and any other primary solid waste management facilities that will be utilized to ensure proper management of all collected items.
- If the activity includes Section 2.D., the description shall include detailed information on the primary duties of the enforcement officer and the percentage of time allocated to each primary duty.

City of Petal  
Local Government Solid Waste Assistance Grant

Introduction

Through the Mississippi Department of Environmental Quality's (MDEQ) Local Government Solid Waste Assistance Grant (SWAG), the City of Petal is proposing to engage in activities that will accomplish a variety of goals for the city with respect to litter control, solid waste management, and city beautification. In accordance with the SWAG guidelines the City of Petal is requesting \$15,000 to be applied in the following categories:

- Cleanup of existing and/or future unauthorized dumps on public or private property.
- Provision of public notice and education related to the proper management of solid waste, including recycling.
- Development of other local solid waste management program activities associated with the prevention, enforcement or abatement of unauthorized dumps, as provided by the commission.

The City of Petal is a participating member of the Pine Belt Regional Solid Waste Authority. The City, like so many other small cities in Mississippi, has ongoing management issues related to illegal dumping, litter, and community aesthetics. In addition, the impacts of Hurricane Katrina have left Petal with the monumental task of managing storm debris on both public rights-of-way and public property. The concern with the management of this debris is the creation of illegal dumps or "orphan" piles that cannot be effectively managed through traditional storm debris or municipal management practices.

Petal currently has two primary solid waste management procedures in place. Household solid waste is collected curbside twice a week through a contracted service with Waste Management. The City also has a newly created sanitation department that provides curbside pickup of limbs, leaves, white goods, and other non-hazardous materials on an as-needed basis. Waste collection at commercial sites is managed primarily through private contracts between the local businesses and a waste disposal company of their choice. The intent in presenting this grant proposal is to provide the City with an avenue for managing wastes that are not currently being managed through the above-described mechanisms.

The following sections provide details on issues relating to the above three funding categories and the City's plans for utilization of SWAG funding.

Plan of Work

In each of the categories as listed above, the city will receive disposal services through two primary disposal sites. The City will dispose of household waste and other materials

appropriate to the site at the Pine Belt Regional Solid Waste Landfill (Permit # SW0560010436). In addition, the city will dispose of all Class I rubbish at the Oak Grove Class I Rubbish Facility operated by Waste Management (Permit # R1068).

*Cleanup of existing and/or future unauthorized dumps on public or private property* - Through this funding category the City of Petal proposes to conduct an inventory of existing unauthorized dumps on both public and private property and use the funding to cleanup the inventoried sites. Efforts will be made to identify the person or persons responsible for creating the unauthorized dump and to recover funds expended in the cleanup from the responsible party. These efforts will be coordinated and carried out by the City's Code Enforcement Office.

*Provision of public notice and education related to the proper management of solid waste, including recycling* - The City of Petal recognizes that education is a key component in preventing littering and the creation of new unauthorized dumps. Through this funding category, the City proposes create an awareness program to be presented to the general public through a variety of media designed to educate and inform the public on the detrimental effects of both littering and the creation of unauthorized dumping.

*Development of other local solid waste management program activities associated with the prevention, enforcement or abatement of unauthorized dumps, as provided by the commission* - In an ongoing effort to enhance the aesthetics and beauty of Petal, the City proposes to establish an annual city-wide cleanup event that will offer local businesses and the general public an opportunity to dispose of a variety of items classified as non-hazardous waste. Through this program the City will place containers throughout the community to be manned by both city employees and local volunteers to allow the proper disposal of materials. The containers will be placed at specific points throughout the City and at a specific date and time. The event will be preceded by a media and marketing campaign designed to inform the public of the rationale behind the program as well as the dates and times that the program will be conducted.

Proposed Budget

As indicated in the Introduction to this document, the City of Petal is requesting \$15,000 in funding to assist with the above-described categories of activities. The City proposes to match the requested grant funding with \$5,000 in local funds. The program budget is as follows:

Category (As referenced above)	Grant Funding	Local Match	Total
1	\$5,000.00	\$1,667.00	\$6,667.00
2	\$3,000.00	\$1,000.00	\$4,000.00
3	\$7,000.00	\$2,333.00	\$9,333.00
	<b>\$15,000.00</b>	<b>\$5,000.00</b>	<b>\$20,000.00</b>

CITY OF PETAL  
MINUTE BOOK 25

Conclusion

The City of Petal intends to use funds through this grant proposal to enhance ongoing efforts to beautify and maintain the small-town, family atmosphere that exists within the City. Through this funding Petal will implement what will be either annual or on-going events and programs designed to accomplish these goals. To that end, the City is proposing to leverage the grant funding requested at a rate of approximately 25%.

The City of Petal remains committed to providing a clean, safe, and healthy community environment for its citizens. The provision of Solid Waste Assistance Grant funding will serve as an additional tool for accomplishing these goals.

EXHIBIT "F"



MISSISSIPPI DEPARTMENT OF HEALTH

March 8, 2006

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

Re: Public Water Fluoridation Contract
City of Petal

Dear Mayor Scott:

I am very excited that City of Petal has decided to pursue water fluoridation and wish to thank the board for their leadership. Your assistance in this matter has been invaluable. I look forward to continuing to work together.

Please review the attached agreement to implement a water fluoridation program with funding from the Mississippi Department of Health (MDH). Completion of this agreement allows us to start paying for your system.

Please write your tax I.D. number on page one of the agreement and obtain the appropriate signature on page ten and on Attachment B. Attachment B must include the names of your Governing Body members. Attachment C contains terms and conditions specific to the project. Please return the signed agreement to my attention.

Please contact myself or Dr. Nicholas Mosca at 601-576-7500 if you have questions.

Respectfully,

John Justice
Fluoridation Administrator, MDH
Dental & Oral Health
P.O. Box 1700
Jackson, MS 39215-1700
PH: 601-576-7500
FAX: 601-576-7498
John.Justice@msdh.state.ms.us

Cc: Nicholas G. Mosca, DDS
Dental Director, MDH

BRIAN W. AMY, MD, MHA, MPH • STATE HEALTH OFFICER

570 East Woodrow Wilson • Post Office Box 1700 • Jackson, Mississippi 39215-1700
601-576-7634 • Fax 601-576-7531 • www.HealthyMS.com

Equal Opportunity in Employment/Services

CONTRACT BETWEEN DEPARTMENT AND CONTRACTOR

Contractual Agreement

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CITY OF PETAL
MINUTE BOOK 25

This document and any other attachments, including but not limited to Attachment A, Terms of Contract, and Attachment B, Conflicts of Interest, are made a part of this document and incorporated herein by reference, and constitute a contract for personal or professional services or goods between the Mississippi State Department of Health (hereinafter referred to as the Department) and the Contractor as indicated below. In the space provided herein, provide a description of the purpose of this contract and/or services to be provided:
Funding in the form of a grant for the capital and associated funds necessary for fluoridation of the public water system (the "Project") at the Contractor's facility.

EXHIBIT "G"

II. Contractor's Required Information

Contractor's Name: City of Petal
Contractor's Contact Person(s): Mayor Carl Scott
I.D. Number: 64-5982579 Program: Public Water Association
Street: PO Box 564 Telephone #: (601) 844-6861
City: Petal State: MS Zip Code: 39465

III. Contract Supplemental Information (Note: If information below is not applicable, fill blank with "N/A")

Title of Contract or Service Provided: Mississippian Public Water Fluoridation Program
Total Contract Amount: \$ 46,993.60 Max. Contract Amount per year: n/a
Fee or Retainer: n/a Fee or Retainer Payment Basis: n/a
Beginning Date: 3/1/2006 Ending Date: 5/1/2006
Organization: 0710 Activity: 1725 Reporting Category: 035
Occupation: n/a Specialty: n/a Program: n/a
Total Personnel Services: n/a Total Travel/Subistence: n/a
Max. Hours Authorized per Month: n/a Assigned Travel Base: n/a
Mileage/Meals Authorized: None: X Meals: \$ Mileage: \$ Lodging: \$
Statewide: n/a Central Office: District (specify): Hours:
If in a District(s), list all counties: n/a
Certification/Licensure: n/a
Contractor's Experience/Degrees Earned: n/a
Does Contractor currently receive Mississippi State Retirement System benefits? n/a
Will the Contractor be classified as an "Independent Contractor"? Yes

ATTACHMENT A: TERMS OF CONTRACT

I. Contracted Services: The Contractor agrees to provide implementation and maintenance of fluoridation in accordance with the specifications set forth on the preceding page of this contract, titled "Contract Between Department and Contractor" and any other documents as set forth by the Department, and are hereby incorporated into and made a part of this contract. No oral statements of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this contract. If other attachments or exhibits exist which are to be incorporated as part of this contract, the title of each document shall be listed here, as follows (use additional sheets, if necessary):

- Attachment B - Conflicts of Interest
Attachment C - Addendum for Fluoridation Contract
Attachment D - Project Budget and Schedule

II. Ability to Contract: The Contractor warrants that he/she/it is qualified to provide the services, whether personal or professional, as outlined in this contract. The Contractor agrees to conform to existing policies, rules, and regulations of the Department. The Contractor agrees to maintain throughout the contract period such licensing and/or certification as may be required by law for the provision of services specified herein, if applicable. The Contractor warrants that it is a validly organized business with valid authority to enter into this contract, that it is qualified to do business and in good standing in the State of Mississippi, that entry into and performance under this contract is not restricted or prohibited by any loan, security, financing, contractual or other contract of any kind, and, notwithstanding any other provision of this contract to the contrary, that there are no pending legal proceedings or prospective legal proceedings, either voluntary or otherwise, which may adversely affect its ability to perform its obligations under this contract.

III. This section applies only to a Contractor which serves as a clinical or healthcare provider for the Department, as follows:

- A. The Contractor authorizes the Department to accept assignment and receive any amounts payable under Part B of Title XVII and Title XIX of the Social Security Act and/or any monies collected for service rendered by the Contractor under the terms of this contract, including but not limited to private insurance, third-party arrangements, or such other payment or reimbursement mechanisms as may be applicable or available. The Contractor agrees that the Department shall be the payor or financial reimbursement mechanism of last resort when other sources are mandated or are available.
B. The Contractor agrees that no additional charges will be made to patients/clients to whom services are provided under the terms of this contract.
C. The Contractor's payment records will be submitted to: N/A
D. The Department agrees to assure physician supervision as required by law for the services to be provided under the terms of this contract.

IV. This section applies only to a Contractor who is an individual and presently receives retirement benefits from the Mississippi Public Employees' Retirement System (PERS), as follows:

- A. The Contractor certifies that the forty-five day separation period required by PERS regulations has been met prior to the effective date of this contract.
B. The Contractor is responsible for notifying PERS of re-employment and for submission of required documentation to PERS for review and concurrence of the Contractor's status as an independent contractor as required by PERS regulations.
C. Contractor's date of retirement from state service: N/A

V. Financial Records and Audits: The Contractor shall maintain such financial records and other records as may be prescribed by the Department or by applicable Federal and State laws, rules, and regulations. These may be kept according to the Contractor's usual method of record keeping, but (1) must be done in accordance with

requirements for reimbursement as outlined in the MSDH Subgrantee Manual; and (2) must be sufficiently detailed to permit an accurate accounting of contract funds and program activities. The contract and the procurement of goods and services shall be governed by the applicable Mississippi statutes and the applicable provisions of the Mississippi Personal Service Contract Review Board Regulations (copies of which are available for inspection at their offices located at 301 North Lamar Street, Jackson, Mississippi). The Contractor shall retain these records for a period of three (3) years after final payment, or until they are audited by the Department, whichever event occurs first. These records shall be made available during the term of the contract and the subsequent three-year period for examination, transcription, and audit by the Mississippi State Auditor's Office, its designees, or other authorized bodies.

VI. Records Retention: The Contractor agrees to submit to the Department quarterly program activity reports thirty (30) days subsequent to the closing of each quarter. The Contractor agrees to submit to the Department quarterly fiscal reports thirty (30) days subsequent to the closing of each quarter, or other applicable period as made a part of this contract and agreed to by both parties. The Contractor agrees to permit reasonable program review and evaluation by the Department; to provide access to any pertinent records; arrange meetings with appropriate personnel; permit inspection of the premises; and to cooperate in any other reasonable requests for fiscal and/or program information. Provided the Contractor is given reasonable advance written notice and such inspection is made during normal business hours of the Contractor, the State or any duly authorized representatives, shall have unimpeded, immediate access to any of the Contractor's books, documents, papers, and/or records which are maintained or produced as a result of this contract for the purpose of making audits, examinations, excerpts, and transcriptions. All records related to this contract shall be retained by the Contractor for three (3) years after final payment is made under this contract and all pending matters are closed. However, if any audit, litigation or other action arising out of or related in any way to this contract is commenced before the end of the three (3) year period, the records shall be retained for one (1) year after all issues arising out of the action are finally resolved or until the end of the three (3) year period, whichever is later.

Where audits are required to be submitted to the Department before funding can be released, the audits must be submitted within the required timeframe and must be acceptable; if a Contractor fails to submit an audit in a timely manner, or if the audit is unacceptable, the Department reserves the right to cancel or suspend the contract at the Department's discretion.

VII. Reimbursement: The Department agrees to provide reimbursement for the contract period. For contracts that include the use of Federal funds, the Department agrees to provide reimbursement for the contract period in accordance with the requirements set forth in OMB Circular A-87. Such reimbursement will be made upon receipt of the necessary billing listing salaries, social security, retirement, and other items provided in this contract, including copies of payroll regulations and invoice copies for materials, equipment, or supplies. Any final billings shall be submitted to the Department no later than thirty (30) days after the close of the contract. Failure to submit final billings within the stated timeframe for this contract may be grounds for the Department to reject such reimbursements. It is agreed by both parties that the following items will be made only when approved by both parties:

- A. reimbursement in excess of the amount budgeted for any item; or
B. reimbursement of items not included in the budget; or
C. the transfer of monies between items within the budget.

VIII. It is agreed by both parties that no reimbursement will be made by the Department until this contract has been signed by the appropriate personnel of both parties and until a budget for expenditures pursuant to the contract has been approved by the Department. Therefore, a Contractor may not begin work or report for duty until then. Additionally, it is expressly understood and agreed that the obligation of the Department to proceed under the contract is conditioned upon the appropriation of funds by the Mississippi State Legislature and the receipt of state and/or Federal funds. If the funds anticipated for the continuing fulfillment of the agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds, or of the State of Mississippi to appropriate funds, or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to the state or the Department, the Department shall have the right, upon ten (10) working days written notice to the Contractor, to terminate this agreement without damage, penalty, cost, or expense to the State or the Department of any kind whatsoever, pursuant to the termination clause herein. When and if applicable, it is understood that the contract is void and no payment shall be made in the event that the Mississippi Personal Service Contract Review Board does not approve this contract.

IX. Representation Regarding Contingent Fees and Gratuities: The Contractor represents that it has not retained a person to solicit or secure a contract from the Department upon an agreement or understanding for a commission, percentage, brokerage, or contingency, except as was disclosed in the Contractor's bid or proposal, if the selection of the Contractor was done through a bidding or proposal process. The Contractor

In the courts of the state. The Contractor shall comply with applicable Federal, state, and local laws and regulations.

- XX. Ownership of Documents and Work Papers: The Department shall own all documents, files, reports, work papers, and working documentation, electronic or otherwise, created under this contract, except for the Contractor's internal administrative and quality assurance files and internal correspondence. The Contractor shall deliver such documents and work papers to Department upon termination or completion of the Contract. The foregoing notwithstanding, the Contractor shall be entitled to retain a set of such work papers for its files. Contractor shall be entitled to use such work papers only after receiving written permission from Department, and subject to any copyright protections. By entering into this contract, the Contractor conveys, sells, assigns, and transfers to the Department all rights, titles, and interests it may now have or hereafter acquire under the antitrust laws of the United States and the State of Mississippi that relates to the particular goods or services purchased or acquired by the Department under this contract.
- XXI. Attorneys' Fees and Expenses: Subject to other terms and conditions of this contract, in the event the Contractor defaults in any obligations under this contract, the Contractor shall pay to the Department all costs and expenses (including, without limitation, investigative fees, court costs, and attorneys' fees) incurred by the Department in enforcing this contract or otherwise reasonably related thereto. The Contractor agrees that under no circumstances shall the Department or the State of Mississippi be obligated to pay any attorneys' fees or costs of legal action to the Contractor. This clause shall not apply to any contracts entered into with another state agency, board, or commission.
- XXII. Modifications and Changes in Scope of Work: All modifications to the contract must be made in writing and signed by both parties to the contract. The Department may order changes in the work consisting of additions, deletions, or other revisions within the general scope of the contract. No claims may be made by the Contractor that the scope of the contract or of the Contractor's services has been changed, requiring changes to the amount of compensation to the Contractor or other adjustments to the contract, unless such changes or adjustments have been made by written amendment to the contract signed by the Department and the Contractor. If the Contractor believes that any particular work is not within the scope of the contract, is a material change, or will otherwise require more compensation to the Contractor, the Contractor must immediately notify the Department in writing of this belief. If the Department believes that the particular work is within the scope of the contract as written, the Contractor will be ordered to and shall continue with the work changed and at the cost stated for the work within the scope.
- Failure to Deliver: In the event of failure of the Contractor to deliver goods or services in accordance with the contract terms and conditions, the Department, after due written notice, may procure the services from other sources and hold the Contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies that the Department may have.
- XXIV. Force Majeure: Each party shall be excused from performance for any period and to the extent that it is prevented from performing any obligation or service, in whole or in part, as a result of causes beyond the reasonable control and without the fault or negligence of such party and/or its Subcontractors. Such acts shall include without limitation acts of God, strikes, lockouts, riots, acts of war, epidemics, governmental regulations superimposed after the fact, fire, earthquakes, floods, or other natural disasters (the "Force Majeure Events"). When such a cause arises, the Contractor shall notify the Department immediately in writing of the cause of its inability to perform; how it affects its performance, and the anticipated duration of the inability to perform. Delays in delivery or in meeting completion dates due to Force Majeure Events shall automatically extend such dates for a period equal to the duration of the delay caused by such events, unless the Department determines it to be in its best interest to terminate the contract.
- XXV. Indemnification: To the fullest extent allowed by law, the Contractor shall indemnify, defend, save and hold harmless, protect, and exonerate the State of Mississippi, the Department, members of the Mississippi State Board of Health, and its officers, employees, agents, and representatives from and against all claims, demands, liabilities, suits, actions damages, losses, and costs of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses, and attorneys' fees, arising out of or caused by the Contractor and/or its partners, principals, agents, employees and/or Subcontractors in the performance of or failure to perform this contract. In the State of Mississippi's sole discretion, the Contractor may be allowed to control the defense of any such claim, suit, etc. In the event the Contractor defends said claim or suit, the Contractor shall use legal counsel acceptable to the State of Mississippi and to the Department; the Contractor shall be solely responsible for all costs and/or expenses associated with such defense, and the State of Mississippi and the Department shall be entitled to participate in said defense. The Contractor shall not settle any claim or suit, without the State of Mississippi and the Department's concurrence, which the State of Mississippi and the Department shall not unreasonably withhold.
- XXVI. No Limitation of Liability: Nothing in this Contract shall be interpreted as excluding or limiting any tort liability of the Contractor for harm caused by the intentional or reckless conduct of the Contractor or for the damages

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incurred through the negligent performance of duties by the Contractor or the delivery of products that are defective due to negligent construction.

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- XXVII. Recovery of Money: Whenever, under this contract, any sum of money shall be recoverable from or payable to the Contractor by the Department, the same amount may be deducted from any sum due to the Contractor under the contract or under any other contract between the Contractor and the Department. The rights of the Department are in addition and without prejudice to any other right the Department may have to claim the amount of any loss or damage suffered by the Department on account of the acts or omissions of the Contractor.
- XXVIII. Severability: If any part of this Contract is declared to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of the contract that can be given effect without the invalid or unenforceable provision, and to this end, the provisions hereof are severable. In such event, the parties shall amend the contract as necessary to reflect the original intent of the parties and to bring any invalid or unenforceable provisions in compliance with applicable law.
- XXIX. State Property: The Contractor will be responsible for the proper custody and care of any State-owned or State-leased property furnished for the Contractor's use in connection with the performance of this contract. The Contractor will reimburse the Department for any loss or damage, normal wear and tear excepted.
- XXX. Third Party Action Notification: The Contractor shall give the Department prompt notice in writing of any action or suit filed, and prompt notice of any claim made against Contractor by any entity that may result in litigation related in any way to this contract.
- XXXI. Unsatisfactory Work: If, at any time during the contract term, the service performed or work done by the Contractor is considered by the Department to create a condition that threatens the health, safety, or welfare of the general public, the Department, its property, or its employees, or for whom the contracted services are to be rendered, the Contractor shall, on being notified by the Department, immediately correct the deficient service or work. In the event the Contractor fails, after notice, to correct the deficient service or work immediately, the Department shall have the right to order the correction of the deficiency by separate contract or with its own resources at the expense of the Contractor.
- XXXII. Waiver: No delay or omission by either party to this contract in exercising any right, power, or remedy hereunder or otherwise afforded by contract, law, or in equity shall constitute an acquiescence therein, impair any other right, power or remedy hereunder or otherwise afforded by any means, or operate as a waiver of such right, power, or remedy. No waiver by either party to this contract shall be valid unless set forth in writing by the party making said waiver. No waiver or modification to any term or condition of this contract will void, waive, or change any other term or condition. No waiver by one party to this contract of a default by the other party will imply, be construed as or require waiver of future or other defaults. Failure by the Department at any time to enforce the provisions of the contract shall not be construed as a waiver of any such provisions. Such failure to enforce shall not affect the validity of the contract or any part thereof or the right of the Department to enforce any provision at any time in accordance with its terms.
- XXXIII. Anti-Assignment/Subcontracting: The Contractor acknowledges that it was selected by the Department to perform the services required hereunder based, in part, upon the Contractor's skills and expertise. The Contractor shall not assign, subcontract or otherwise transfer this contract in whole or in part without the prior written consent of the Department, which the Department may, in its sole discretion, approve or deny without reason. Any attempted assignment or transfer by the Contractor of its obligations without such consent shall be null and void. No such approval by the Department of any subcontract shall be deemed in any way to provide for the insurance of any obligation of the Department in addition to the total contractual price agreed upon in this contract. Subcontracts shall be subject to the terms and conditions of this contract and to any conditions of approval that the Department may deem necessary. Subject to the foregoing, this contract shall be binding upon the respective successors and assigns of the parties.
- XXXIV. Integrated Agreement/Merger: This contract, including all contract documents, represents the entire and integrated contractual agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, irrespective of whether they were written or oral. This contract may be altered, amended, or modified only by a written document executed by the Department and the Contractor. The Contractor acknowledges that it has thoroughly read all contractual documents and attachments and has had the opportunity to receive competent advice and counsel necessary for it to form a full and complete understanding of all rights and obligations herein. Accordingly, this contract shall not be construed or interpreted in favor or against the State, the Department, or the Contractor on the basis of draftsmanship or preparation hereof.

XXXV. Notices: All notices required or permitted to be given under this contract must be in writing and personally delivered or sent by certified United States mail, postage prepaid, return receipt requested, to the party to whom the notice should be given at the address set forth below. Notices shall be deemed given when actually received or when refused. The parties agree to promptly notify each other in writing of any change of address as shown below:

For the Contractor:

Name: Mayor Carl Scott

Title: Mayor

Organization: City of Petal

Street Address: PO Box 564

City, State, Zip: Petal, MS 39849

For the Department:

Name: Nicholas G. Moaca, DDS

Title: Dental Director

Agency: Mississippi State Department of Health

Street Address: 570 East Woodrow Wilson

City, State, Zip: Jackson, MS 39216-1700

XXXVI. Other terms of this contract are as follows: See Attachments B, C and D

XXXVII. A. Official Signatures for the contract on behalf of the Department are as follows:

Program Director/Originator	Date
Office Director/District Health Officer/District Administrator, or Designee	Date
Director, Office of Finance and Administration	Date

B. Official Signatures for the contract on behalf of the Contractor are as follows:

X [Signature] 3-11-06

Contractor's Signature and Title Date

Contractor's Signature and Title (if applicable) Date

**ATTACHMENT B: CONFLICTS OF INTEREST**

List the names of Members of the Board of Directors or Other Governing Body:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Are any Members of the Governing Body or Project Staff also MSDH employees?

Check one, only:  YES  NO

3. If Yes, please list the name of the MSDH employee(s) and the position held within the MSDH.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Are any Members of the Governing Body or Project Staff also Spouses, Parents, or Children of MSDH Employees?

Check one, only:  YES  NO

5. If Yes, List the Name and Relationship to the MSDH Employee:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

List all other current contracts with MSDH (include \$ amount and contract beginning & ending dates).

\_\_\_\_\_

\_\_\_\_\_

7. Contractor's Signature

X [Signature] 3-11-06

Signatures Date

XIII.  
EXHIBIT "G"

Termination of Stopped Work: If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

X. Salaries and Fringe Benefits: If the contract provides for the payment of salaries and/or fringe benefits (as identified as a line item in the contract's budget and/or budget narrative), it is understood by both parties that fringe benefits may be spent only for bona fide retirement programs and employee insurance plans. Before any retirement and/or insurance program is initiated or financed with funds received pursuant to this contract, approval must be obtained from the Department. Insurance plans shall be limited to health, life, unemployment, and workers' compensation. Documentation must be available to the Department of all fringe benefits payments. This clause does not apply where the contract may be used for the payment of salaries and/or fringe benefits, but such were not specifically itemized as budgetary items in the contract.

The Contractor shall comply with, and all activities under this contract shall be subject to, all applicable Federal, State, and local laws, rules, and regulations, as now exists and as may be amended or modified, including, but not limited to:

XI. This section applies only to contracts for which the Contractor shall serve solely on an independent Contractor basis, as follows:

- A. The Civil Rights Act of 1964, as amended.
- B. §504 of the Rehabilitation Act of 1973, as amended.
- C. Title IX of the Educational Amendments of 1972, as amended.
- D. The Age Discrimination Act of 1975, as amended.
- E. The Omnibus Budget Reconciliation Act of 1981, as amended.
- F. Americans with Disabilities Act of 1990 (ADA), as amended.
- G. The Drug-Free Workplace Act of 1986, as amended.
- H. Presidential Executive Order No. 12649, Certification Concerning Debarment and Suspension.
- I. The Pro-Children Act of 1994, Part B (Environmental Tobacco Smoke).

The Contractor shall, at all times, be regarded as an independent Contractor and shall at no time act as an agent for the State. Nothing contained herein shall be deemed or construed by the Department, the Contractor, or any third party as creating the relationship of principal and agent, partners, joint venturers, or any similar such relationship between the Department and the Contractor. Neither the method of computation of fees or other charges, nor any other provision contained herein, nor any acts of the Department or the Contractor hereunder, creates or shall be deemed to create a relationship other than the independent relationship of the Department and the Contractor. The Contractor's personnel shall not be deemed in any way, directly or indirectly, expressly or by implications, to be employees of the Department. Neither the Contractor nor its employees shall, under any circumstances, be considered servants or agents of the Department, and the Department shall be at no time legally responsible for any negligence or other wrongdoing by the Contractor, its servants, or agents. The Department shall not withhold from the contract payments to the Contractor any Federal or state unemployment taxes, Federal or state income taxes, Social Security Tax, or any other amounts for benefits to the Contractor. Further, the Department shall not provide to the Contractor any insurance coverage or other benefits, including Workers' Compensation, normally provided by the Department for its employees. Furthermore, none of the work performed under this contract shall be subcontracted without prior approval of the Department. The Department shall, throughout the life of the contract, have the right of reasonable rejection and approval of staff or the Contractor or its Subcontractors assigned to the work by the Contractor. If the Department reasonably rejects staff of the Contractor or its Subcontractors, the Contractor must provide replacement staff or Subcontractors satisfactory to the Department in a timely manner and at no additional cost to the Department. The day-to-day supervision and control of the Contractor's employees and Subcontractors are the sole responsibility of the Contractor.

XIV. Certification Regarding Lobbying. The undersigned certifies, to their best knowledge and belief, that:

XII. This section applies only to contracts which require approval from the Mississippi Personal Service Contract Review Board, as follows:

- A. Order to Stop Work: The Department may, by written order to the Contractor at any time and without notice to any surety, require the Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding ninety (90) days after the order is delivered to the Contractor, unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the Department shall either:
  - i. cancel the stop work order; or
  - ii. terminate the work covered by such order as provided in the termination clause of this contract.
- B. Cancellation or Expiration of the Order: If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the Contractor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or the contract's price, or both, and the contract shall be modified in writing accordingly, if:
  - i. the stop work order results in an increase in the time required to, or in the Contractor's cost properly allocable to, the performance of any part of this contract; and
  - ii. the Contractor asserts a claim for such an adjustment within thirty (30) days after the end of the period of work stoppage, provided that, if the Department decides that the facts justify

- A. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- B. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-L.L.L. "Disclosure Form to Report Lobbying," in accordance with its instructions.
- C. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.
- D. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by §1362, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

XV. Equal Opportunity: The Contractor understands that the Department is an equal opportunity employer and therefore maintains a policy which prohibits unlawful discrimination on the basis of race, color, creed, sex, age, national origin, physical or mental disability, or any other consideration made unlawful by Federal, State, or local laws. All such discrimination is unlawful and the Contractor agrees during the term of the contract that it will strictly adhere to this policy in its employment practices and provision of services.

XVI. Confidential Information

- A. Definition: "Confidential Information" shall mean:
  - i. those materials, documents, data, and other information which the Contractor has designated in writing as proprietary and confidential; and

ii. all data and information which the Contractor acquires as a result of its contract with and efforts on behalf of the Department and any other information designated in writing as confidential by the Department or the State of Mississippi.

Each party to this contract agrees to protect all confidential information provided by one party to the other, to treat all such confidential information as confidential to the extent that confidential treatment is allowed under State and/or Federal law, and, except as otherwise required by law, not to publish or disclose such information to any third party without the other party's written permission, and to do so by using those methods and procedures normally used to protect the party's own confidential information. Any liability resulting from the wrongful disclosure of confidential information on the part of the Contractor or its Subcontractor shall rest with Contractor. Disclosure of any confidential information by the Contractor or its Subcontractor without the express written approval of the Department shall result in the immediate termination of this contract.

B. Disclosure: In the event that either party to this contract receives notice that a third party requests divulgence of confidential or otherwise protected information and/or has served upon it a subpoena or other validly issued administrative or judicial process ordering divulgence of confidential or otherwise protected information that party shall promptly inform the other party and thereafter respond in conformity with such subpoena to the extent mandated by State law. This section shall survive the termination or completion of this contract. The parties agree that this section is subject to and superseded by Mississippi Code of 1972, Ann., Section 25-61-4, et seq. regarding public access to public records.

C. Exceptions: The Contractor and the Department shall not be obligated to treat as confidential and proprietary any information disclosed by the other party ("The Disclosing Party") which:

- i. is rightfully known to the Contractor prior to negotiations leading to this contract, other than information obtained in confidence under prior engagements;
- ii. is generally known or easily ascertainable to non-parties of ordinary skill in the business of the Contractor;
- iii. is released by the Disclosing Party to any other person, firm, or entity (including governmental agencies or bureaus) without restriction;
- iv. is independently developed by the recipient without any reliance on confidential information;
- v. is, or later becomes, part of the public domain or may be lawfully obtained by the Department or the Contractor from any non-party; or
- vi. is disclosed with the Disclosing Party's prior written consent.

D. Contractor agrees to comply with the Administrative Simplifications provisions of the Health Insurance Portability and Accountability Act of 1996, including electronic data interchange, code sets, identifiers, security, and privacy provisions, as may be applicable to the services under this contract.

XVII. Non-Discrimination for HIV/AIDS: As a recipient of Federal funds, directly or indirectly through payments from the Department, the Contractor agrees that no person(s) who are otherwise qualified shall be denied employment, funds, education or care in the program(s) funded in whole or in part by the Department on account of affliction with Acquired Immune Deficiency Syndrome (AIDS)-related conditions, or on the basis of their infection with the Human Immunodeficiency Virus (HIV). This non-discrimination agreement and policy shall likewise apply to those individuals or groups who may be perceived as having AIDS or the aforementioned AIDS-related conditions, or who are perceived as being infected with HIV.

XVIII. Termination:

A. Termination for Convenience:

- i. The Department may, when its interests so require, terminate this contract in whole or in part, for the convenience of the Department. The Department shall give written notice of the termination to the Contractor specifying the part of the contract terminated and when termination becomes effective.

i. The Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the Contractor will stop work to the extent specified. The Contractor shall also terminate outstanding orders and subcontracts and any other orders connected with the terminated work. The Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Department may direct the Contractor to assign the Contractor's right, title, and interest under terminated orders or subcontracts to the Department. The Contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

B. Termination for Default:

i. If the Contractor refuses or fails to perform any of the provisions of this contract with such diligence as will assure its completion within the time specified in this contract, or any extension thereof otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract, the Department may notify the Contractor in writing of the delay or nonperformance and if not cured in ten (10) days or any longer time specified in writing by the Department, the Department may terminate the Contractor's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part, the Department may procure similar supplies or services in a manner and upon terms deemed appropriate by the Department. The Contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

ii. Notwithstanding termination of the contract and subject to any directions from the Department, the Contractor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the contractor in which the State has an interest.

iii. Payment for completed services delivered and accepted by the Department shall be at the contract price. The Department may withhold from amounts due the Contractor such sums as the Department deems to be necessary to protect the State and the Department against loss because of outstanding liens or claims of former lien holders and to reimburse the Department for the excess costs incurred in procuring similar goods and services.

iv. Except with respect to defaults of Subcontractors, the Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if the Contractor has notified the Department within fifteen (15) days after the cause of the delay and the failure arises out of cause such as: acts of God; acts of the public enemy; acts of the State and any other governmental entity in its sovereign or contractual capacity; fire; floods; epidemics; quarantine restrictions; strikes or other labor disputes; or freight embargoes. If the failure to perform is caused by the failure of a Subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the Contractor shall not be deemed to be in default, unless the services to be furnished by the Subcontractor were reasonably obtainable from other sources in sufficient time to permit the Contractor to meet the contract requirements. Upon request of the Contractor, the Department shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that but for the terms of the excusable cause, the Contractor's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the Department under the clause entitled "Termination for Convenience." As used in this Paragraph of this clause, the term "Subcontractor" means Subcontractor at any tier.

v. If, after notice of termination of the Contractor's right to proceed under the provisions of this clause, it is determined for any reason that the contract was not in default under the provisions of this clause, or that the delay was excusable under the provisions of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for convenience of the Department, be the same as if the notice of termination had been issued pursuant to such clause.

vi. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

XIX. Applicable Law: This contract shall be governed by and construed in accordance with the laws of the State of Mississippi, excluding its conflicts of law provisions, and any litigation with respect thereto shall be brought

rights of plans, specifications, bid documents, or other construction documents under the Contract shall be made as a financier in the course of financing this effort and shall not be construed as making the Department a party to any contract. The parties further understand and agree that the Department may, from time to time, exercise its review or approval rights under this Contract, or discuss matters related to these rights or the Project with the parties to a contract, jointly or separately, without thereby incurring any responsibility or liability to the parties to the contract or to any one of them. Any approval or failure to approve by the Department shall not bar the Contractor or the Department from asserting any right, or relieve the third party of any liability which the third party might otherwise have to the Contractor. The Contractor shall include the foregoing provisions in all its contracts or subcontracts related to the Project.

EXHIBIT "G"

15. **Dispute Resolution.** The Contractor shall be solely responsible for the resolution of any and all disputes arising out of or related to the Project, including any bidding disputes, payment disputes, and any other controversies associated with the contracts for construction of the Project and/or the acquisition of equipment. In the event that any disputes (including court actions to enjoin the completion of the Project or any other referendum affecting the Project's implementation) shall arise which have not been resolved by the scheduling time-frames as outlined in the Project Specifications, the Contractor agrees to refund to the Department all money received by the Contractor pending the resolution of the disputes and the completion of the Project.

**Implementation of the Project.** The Department shall be notified upon the completion of construction and the Contractor's projected date for implementation of the Project. Before the operation of the system commences, the Department shall inspect and review the facility and shall issue an operations certificate to the Contractor which shall set forth the Implementation Date for purposes of this Contract. The Contractor shall then expeditiously proceed to cause the Project to be fully implemented as soon after the Implementation Date as is reasonably practicable.

17. **Defluoridation.** In the event that the Contractor shall cease to operate the Project within the first five (5) years after the Implementation Date, or in the event that the Contractor shall be otherwise required to defluoridate the public water system, the Department shall, at its option and its expense, have the authority to take possession of all equipment and supplies associated with the Project, and the Contractor shall receive no compensation therefor.

**EXHIBIT "C"**

For the purposes of contracts through the Department's Division of Dental and Oral Health, the supplemental changes to "Attachment A: Terms of Contract" are as follows:

1. Sections III and IV are deleted.
2. Section VI is deleted and the following is substituted in its place:

The Contractor agrees to submit to the Department quarterly progress reports within thirty (30) days of the close of each calendar quarter during the construction period. The Contractor agrees to permit reasonable access and evaluation opportunities by the Department to monitor the progress of compliance with the implementation requirements, including the inspection of the premises, the access to any pertinent records, participation in meetings with appropriate personnel and third parties, and compliance with other reasonable requests.

3. Section VII is deleted and the following is substituted in its place:

The Department agrees to provide reimbursement for the contract period. Such reimbursement will be made in monthly payments upon receipt of the necessary documentation. Any final reimbursement requests shall be submitted to the Department no later than thirty (30) days after the close of the contract. Failure to submit final billings within the stated time-frame for the contract may be grounds for the Department to deny reimbursement. The Contractor agrees and acknowledges that the following shall require the prior approval of the Department: (i) reimbursement in excess of the amount budgeted for any item; or (ii) reimbursement of items not included in the budget; or (iii) the transfer of budgetary amounts between expense categories in the budget.

4. Section VIII is deleted and the following is substituted in its place:

It is agreed by both parties that no reimbursement will be made by the Department until this contract has been signed by the appropriate personnel of both parties and a budget for expenditures pursuant to the contract has been approved by the Department. Both parties agree that this contract must be signed and returned within thirty (30) days of its receipt by the Contractor. Additionally, it is expressly understood and agreed that the obligation of the Department to proceed under this contract is conditioned upon the receipt of private grants, or applicable state

Attachment C - Page 1

and/or Federal funds. If the funds anticipated for the continuing fulfillment of the agreement are, at any time, not forthcoming or insufficient, either through the failure of the Federal government to provide funds, or of the State of Mississippi to appropriate funds, or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to the state or the Department, the Department shall have the right, upon ten (10) working days written notice to the Contractor, to terminate this agreement without damage, penalty, cost, or expenses to the State or the Department of any kind whatsoever, pursuant to the termination clause herein. When and if applicable, it is understood that the contract is void and no payment shall be made in the event that the Mississippi Personal Service Contract Review Board does not approve this contract.

5. Sections X, XI, and XII are deleted.
6. Sections XX and XXI are deleted.
7. Section XXIII is deleted and the following is substituted in its place:

In the event of failure of the Contractor to deliver goods or service in accordance with the contract terms and conditions, the Department, after thirty (30) days prior notice, may procure the services from other sources. This remedy shall be in addition to any other remedies that the Department may have.

8. Section XXV is deleted.
9. Section XXIX is deleted.

10. **Funding of the Project.** The Department agrees to provide grant funding to the Contractor in order to aid in the development and implementation of a system for the fluoridation of the public water system, including the purchase of necessary fluoridation equipment (the "Project"). Funds shall be used solely for the design and construction of the Project and the operation and maintenance of the Project for a one-year period from the Implementation Date, excluding the personnel costs required for monitoring the operations of the Project. The Contractor shall be solely responsible for the design, construction, operation, and maintenance of the Project and for all persons or entities engaged in such work, including, but not limited to, contractors, subcontractors, suppliers, and providers of services. The Contractor shall demonstrate to the satisfaction of the Department its ability to fund any cost of the Project which is not anticipated to be covered by the grant funding. The amount of the grant will not exceed the appropriate percentage of the estimated reasonable cost of the project, as established by law, or such dollar limitation so established; provided, that in the event the actual reasonable cost of any project, as determined by the Department upon completion of construction, is less than the

Attachment C - Page 2

estimated reasonable cost upon which the grant is based, such actual cost shall be used to determine the amount of the final grant, and the grant shall be reduced as necessary to conform with the limitations set forth in the Project Budget.

11. **Project Budget.** A proposed Project Budget, Project Schedule and accompanying Project Specifications shall be developed by the Contractor and submitted to the Department for review. Within fifteen (15) working days of the receipt of the proposed budget, the Department shall prepare a Final Project Budget and Schedule for submission to the Contractor for acceptance, and if accepted by the Contractor within fifteen (15) working days, the Final Project Budget and Project Schedule for the completion and implementation of the Project shall be adopted as Attachment D to this Contract and shall be made of part of this Contract.

12. **Design and Construction of the Project: Competitive Bids.** The Project shall be constructed in accordance with the plans and specifications set forth with the Project Budget on Attachment D as shall be adopted by the parties. Construction of the project shall conform to the applicable requirements of state and local laws and ordinances. Upon the approval of the Project Budget, all construction and/or acquisition contracts related in any way to the Project shall be let by competitive bid procedures that assure award of such contracts shall comply with any applicable state or local ordinance for competitive bidding and applicable labor laws. All bids shall be subject to the review and approval of the Contractor's engineering consultant. Award of the contract shall be made to the responsible bidder submitting the lowest acceptable bid. The Contractor shall provide and maintain competent and adequate engineering supervision and inspection of the Project construction, to ensure that the Project is completed in accordance with the approved plans and specifications.

13. **Operation and Maintenance of the Project.** The Contractor agrees and acknowledges that the funding of the Project shall not include any allowance for personnel costs for the monitoring of the system upon its implementation. Operational costs for a period of one year after the Implementation Date shall be set forth in the Project Budget and shall be funded by the Department on a reimbursement basis, as described in paragraph 3 of this Attachment. The Contractor shall cause the Project to be adequately maintained and operational in accordance with applicable water standards and regulations, and the Contractor shall be solely responsible for any and all repairs, renewals, and replacements necessary for the effective operation of the Project and the continuation of fluoridation services. The Contractor agrees to submit monthly reports of water samples, as periodically authorized by the Department, for a period of five (5) years from the Implementation Date, and the parties agree and acknowledge that effective fluoridation standards shall be satisfied if the water samples contain 0.7 - 1.3 parts per million fluoride, with the optimal fluoride level being 0.8 parts per million.

14. **Approval and Supervision of Project.** The parties understand and agree that the Department has acted solely as a financing entity to assure the proper use of the grant funds, and that any decision by the Department to exercise or refrain from exercising any review or approval

Attachment C - Page 3



CITY OF PETAL NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND BOARD OF ALDERMEN AS FOLLOWS:

Following the reading of the bids, the Mayor and Board of Aldermen proceeded to consider them for the purpose of determining which was the best and most advantageous bid submitted. Whereupon, the following resolution was presented, read and its adoption and passage moved by Alderman MOORE:

SECTION 1. The Bonds are hereby awarded and sold to DUNCAN WILLIAMS, INC., in accordance with the offer submitted to the Mayor and Board of Aldermen in words and figures as follows:

EXHIBIT "H"

RESOLUTION DIRECTING THE SALE AND AWARD OF GENERAL OBLIGATION BONDS, SERIES 2006, OF THE CITY OF PETAL, MISSISSIPPI, DATED APRIL 1, 2006, IN THE PRINCIPAL AMOUNT OF FIVE MILLION DOLLARS (\$5,000,000); AND A RESOLUTION APPROVING AND AUTHORIZING THE FORM OF, EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE FIVE MILLION DOLLARS (\$5,000,000) GENERAL OBLIGATION BONDS, SERIES 2006, OF 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 (the "City"), hereby find, determine, adjudicate and declare as follows:

- The Mayor and Board of Aldermen on February 21, 2006, did adopt a resolution directing that General Obligation Bonds, Series 2006 (the "Bonds"), of the City in the principal amount of Five Million Dollars (\$5,000,000) be offered for sale on sealed bids to be received up to the hour of 7:00 o'clock P.M. on March 21, 2006.
- As directed by the aforesaid resolution, notice of sale of the Bonds was duly published in the *Petal News*, a newspaper published in and having a circulation in the City and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, said notice having been published in said newspaper on March 9 and 16, 2006, the first publication having been made at least ten (10) days preceding March 21, 2006, all as shown by the proof of publication of said notice filed in the office of the Clerk.
- The Mayor and Board of Aldermen did meet at their meeting place in the City Hall in the City of Petal, Mississippi, at 7:00 o'clock P.M. on March 21, 2006.
- At said time and place THREE (3) sealed proposals for the purchase of the Bonds were received, examined and considered by the Mayor and Board of Aldermen said bids having heretofore been presented by and being on file with the Clerk.
- The Mayor and Board of Aldermen do now find, determine and adjudicate that the highest and best bid made and offered for the Bonds on the basis of the lowest net interest cost over the life of the issue was made by DUNCAN WILLIAMS, INC., and said bid was accompanied by a cashier's check, certified check or exchange payable to the City of Petal, Mississippi, in the amount of One Hundred Thousand Dollars (\$100,000), issued or certified by a bank located in the State of Mississippi, as a guarantee that said bidder would carry out its contract and purchase the Bonds if its bid be accepted.
- The Mayor and Board of Aldermen find it necessary to approve the form of, execution and distribution of an Official Statement for the Bonds.

OFFICIAL BID FORM

March 21, 2006

Mayor and Board of Aldermen  
City of Petal, Mississippi

Gentlemen:

We hereby offer to pay \$ 5,000,000.00 plus accrued interest to the date of delivery for the Five Million Dollars (\$5,000,000) principal amount General Obligation Bonds, Series 2006, dated April 1, 2006 (the "Bonds"), of the City of Petal, Mississippi (the "City"), as described in the Notice of Bond Sale, dated February 21, 2006, maturing and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
2007	\$160,000	5.25%	2017	\$250,000	3.80%
2008	165,000	5.25	2018	260,000	3.825
2009	175,000	5.25	2019	270,000	3.90
2010	180,000	5.25	2020	285,000	4.00
2011	190,000	5.00	2021	295,000	4.00
2012	200,000	4.75	2022	310,000	4.00
2013	210,000	4.50	2023	320,000	4.00
2014	215,000	4.25	2024	335,000	4.00
2015	225,000	4.00	2025	350,000	4.00
2016	235,000	3.80	2026	370,000	4.00

Based upon the interest rate or rates specified above, we compute the gross interest cost to the City to be \$2,418,727.50, the net interest cost (deducting premium of \$ 0.00, if any) to be \$2,418,727.50, and the average annual net interest rate from the date of the Bonds to their respective maturities to be 4.047774%.

If there is any discrepancy as between the actual interest cost computed upon the rate or rates of interest above specified and the interest cost or average rate hereinabove set forth, the interest rate or rates above specified and the actual interest cost or average interest rate computed upon said rate or rates shall prevail.

A cashier's check (certified check) (bank exchange) ISSUED OR CERTIFIED BY A LOCATED IN THE STATE OF MISSISSIPPI and payable to the City of Petal, Mississippi, in the amount of One Hundred Thousand Dollars (\$100,000) accompanies this bid as a guarantee that we will carry out this contract and accept delivery of the Bonds if proposal is accepted, which shall be returned to the undersigned (1) if this bid be not accepted or (2) if the City should fail to deliver the Bonds to the undersigned in accordance with

the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Bonds.

This proposal is submitted subject to all of the terms and conditions of the Notice of Bond Sale, dated February 21, 2006, which by reference is hereby made a part of this bid.

BIDDER: Duncan Williams, Inc  
BY: [Signature]  
TITLE: City Clerk

Associates (if any):  
Bancorp South  
143 W. Center Ave  
Petal, MS 39465

Return of good faith deposit is hereby acknowledged.

DATE: \_\_\_\_\_  
BY: \_\_\_\_\_

ACCEPTANCE

The above proposal accepted by resolution of the Mayor and Board of Aldermen of the City of Petal, Mississippi and receipt of the within-mentioned check is hereby acknowledged.

CITY OF PETAL, MISSISSIPPI

BY: [Signature]  
City Clerk

(SEAL)

Form 1221 (06)

SECTION 2. The Mayor and Clerk are hereby authorized and directed to endorse upon a copy or duplicate of the aforesaid offer a suitable notation as evidence of the acceptance thereof, for and on behalf of the City.

SECTION 3. The good faith checks filed by all unsuccessful bidders shall forthwith be returned to them upon their respective receipts therefor, and the good faith check filed by the successful bidder shall be retained by the Mayor and Board of Aldermen as a guarantee that said bidder shall carry out its contract and purchase the Bonds. If said successful bidder fails to purchase the Bonds pursuant to its bid and contract, the amount of such good faith check shall be retained by the City as liquidated damages for such failure.

SECTION 4. The Bonds shall be in fully registered form; shall be dated April 1, 2006; shall be of the denomination of \$5,000 each or integral multiples thereof up to the amount of a single maturity; shall be numbered from one (1) upward in order of issuance; shall be payable, both as to principal and interest, in lawful money of the United States of America at BANCORP SOUTH, said bank to act as paying agent, registrar and transfer agent for said Bonds; shall bear interest from the date thereof at the rates hereinafter set forth, payable semiannually on April 1 and October 1 in each year (each an "Interest Payment Date"), commencing April 1, 2007, and shall mature and become due and payable serially, on April 1 in the years and principal amounts as follows:

YEAR	AMOUNT	INTEREST RATE
2007	\$160,000	5.125 %
2008	165,000	5.25
2009	175,000	5.25
2010	180,000	5.25
2011	190,000	5.00
2012	200,000	4.75
2013	210,000	4.50
2014	215,000	4.00
2015	225,000	4.00
2016	235,000	3.80
2017	250,000	3.80
2018	260,000	3.875
2019	270,000	3.90
2020	285,000	4.00
2021	295,000	4.00
2022	310,000	4.00
2023	320,000	4.00
2024	335,000	4.00
2025	350,000	4.00
2026	370,000	4.00

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 or

EXHIBIT "H"

SECTION 5. The Mayor and Board of Aldermen of the City of Petal, Mississippi, hereby approve and adopt the Official Statement in the form attached hereto as EXHIBIT A, and hereby authorize the Mayor and Clerk to sign and distribute an Official Statement, in substantially the same form, for and on behalf of said Mayor and Board of Aldermen.

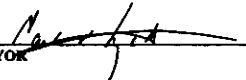
SECTION 6. All orders, resolutions or proceedings of the Mayor and Board of Aldermen in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

SECTION 7. For cause, this resolution shall become effective immediately upon the adoption thereof.

Alderman FAIRLEY seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Kay Fairley	voted: <u>AYE</u>
Alderman David Clayton	voted: <u>---</u>
Alderman Steve Stringer	voted: <u>AYE</u>
Alderman Liesa Weaver	voted: <u>AYE</u>
Alderman James Moore	voted: <u>AYE</u>

The Mayor declared 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 March, 2006.

  
 MAYOR


ATTEST:  
  
 CITY CLERK

EXHIBIT A  
 FORM OF OFFICIAL STATEMENT

NEW ISSUE

In the opinion of Butler, Snow, O'Mara, Stevens & Canada, PLLC, Jackson, Mississippi, Bond Counsel, consisting of members of the City with the investment and representative thereof, under existing law, interest on the Bonds is not deductible for Federal gross income purposes in Section 190 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a qualified item of the purchase under Section 57 of the Code for purposes of calculating alternative minimum tax. In the case of corporate owners of the Bonds, interest on the Bonds will be included in the calculation of federal income tax liability under certain federal income taxes not solely based on items deductible in gross income, including the calculation of the alternative minimum tax and the endorsement tax as a result of the inclusion of interest on the Bonds in "adjusted taxable earnings". In addition, corporations that are subject to the interest profits tax imposed on certain foreign corporations and to the tax on "foreign tax credits" imposed as if corporations will be required to include the interest on the Bonds in the calculation of such federal income taxes. See "TAX EXEMPTION" heading regarding certain offshore related tax considerations in certain individuals who are recipients of Bond Proceeds or Federal Retirement Benefits and certain corporate owners of the Bonds. Bond Counsel is of the further opinion that interest on the Bonds is exempt from federalized state income taxation under existing laws. See "TAX EXEMPTION" heading.

\$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:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YIELD	YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE	YIELD
2007	\$160,000	5.125 %	5.125 %	2017	\$250,000	3.80 %	3.80 %
2008	165,000	5.25	5.25	2018	260,000	3.875	3.875
2009	175,000	5.25	5.25	2019	270,000	3.90	3.90
2010	180,000	5.25	5.25	2020	285,000	4.00	4.00
2011	190,000	5.00	5.00	2021	295,000	4.00	4.00
2012	200,000	4.75	4.75	2022	310,000	4.00	4.00
2013	210,000	4.50	4.50	2023	320,000	4.00	4.00
2014	215,000	4.00	4.00	2024	335,000	4.00	4.00
2015	225,000	4.00	4.00	2025	350,000	4.00	4.00
2016	235,000	3.80	3.80	2026	370,000	4.00	4.00

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 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 & Canada, PLLC, Jackson, Mississippi, Bond Counsel.

The date of this Official Statement is March 6, 2006.

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 "H"

CITY OF PETAL, MISSISSIPPI

CARL SCOTT  
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

GOVERNMENT CONSULTANTS, INC.  
JACKSON, MISSISSIPPI  
FINANCIAL ADVISOR

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

EXHIBIT "A"

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.

FINANCIAL ADVISOR

The City has retained the firm of Government Consultants, Inc., Jackson, Mississippi, as independent financial advisor (the "Financial Advisor") to the City in connection with the issuance of the Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the City with respect to the preparation of documents, the preparation for the sale of the Bonds and of the time of the sale, tax-exempt bond market conditions and other factors related to the sale of said Bonds.

Although the Financial Advisor performed an active role in drafting of the Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from municipal records and from other sources which are believed to be reliable, including financial records of the City and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the City. Any

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."

summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

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 tax 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 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

**EXHIBIT**

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.

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.

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

**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 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.

CITY OF PETAL  
MINUTE BOOK 25

CITY OF PETAL, MISSISSIPPI

EXHIBIT "H"

/s/ CARL SCOTT  
MAYOR

/s/ JEAN ISHEE  
CITY CLERK

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 Fairley	Retired	July/2005

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.

**Major Employers**

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

Employer	Employees	Product/Service
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

Office of City Clerk, February, 2006.

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Year	Established Based Amount
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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**EXHIBIT 14**

Month	2001	2002	2003	2004	2005
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**

Category	2001	2002	2003	2004	2005
<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	2,330	2,570	2,900	3,910
II. Nonmanufacturing	35,040	35,490	35,570	33,940	34,860
A. Mining	20	20	30	40	50
B. Construction	1,540	1,540	1,520	1,470	1,630
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 & Enterprises	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.

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

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**Banking Institutions**

Banking Institution	Assets
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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**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 rates:  
**MINUTE BOOK 25**

**EXHIBIT "10"**

Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value;

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 Collections**

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. Fonten*, 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.

**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 is reimbursed by the State Tax Commission. Beginning with the 1984 supplemental ad valorem roll for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of six percent (106%) of the total net reimbursement made to such taxing unit in the next proceeding year.

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

**EXHIBIT**

Entity	2004	2005
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.

**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	5,000,000	5,000,000
Margin for further Debt Limit after Issuance of Bonds	\$1,521,947	\$4,824,262

**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>

<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 agreement are annexed by a lease and option to purchase, dated February 1, 1993 (the "Lease"), by and between the City and the Corporation. The obligations of the City to make lease rental and additional rental 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 obligations to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, current 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 and does not constitute a pledge of the full faith 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 location by the City of the "captured assessed value" of the project, and the property on which it is located, for which the improvement 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 readily available revenues including monies which the City is entitled to receive from time to time (including, without limitation, any monies 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 law and which is 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 from the Mississippi Development Bank \$8,500,000 Special Obligation Bonds, Series 2006 (Petal, Mississippi Combined Water and Sewer System Project), dated February 1, 2006, secured by the Promissory Note under a loan agreement between the Mississippi Development Bank and the City payable from the revenues of the System of the City.

**CITY OF PETAL  
MINUTE BOOK**

**EXHIBIT "A"**

**Annual Debt Service Requirements for General Obligation Indebtedness**

2006	\$ 150,000.00	\$ 154,362.50	\$ 304,362.50	\$ 0.00	\$ 304,362.50
2007	155,000.00	146,763.50	301,763.50	160,000.00	160,000.00
2008	165,000.00	139,225.80	304,225.80	165,000.00	165,000.00
2009	170,000.00	131,200.00	301,200.00	175,000.00	175,000.00
2010	180,000.00	123,550.00	303,550.00	180,000.00	180,000.00
2011	185,000.00	115,410.00	300,410.00	190,000.00	190,000.00
2012	195,000.00	107,441.26	302,441.26	200,000.00	200,000.00
2013	205,000.00	99,018.76	304,018.76	210,000.00	210,000.00
2014	230,000.00	90,343.76	310,343.76	215,000.00	215,000.00
2015	240,000.00	80,798.76	310,798.76	225,000.00	225,000.00
2016	240,000.00	70,630.00	310,630.00	235,000.00	235,000.00
2017	135,000.00	60,017.50	195,017.50	250,000.00	250,000.00
2018	145,000.00	54,212.50	199,212.50	260,000.00	260,000.00
2019	150,000.00	47,833.50	197,833.50	270,000.00	270,000.00
2020	155,000.00	41,082.50	196,082.50	285,000.00	285,000.00
2021	165,000.00	33,922.50	198,922.50	295,000.00	295,000.00
2022	175,000.00	26,197.50	201,197.50	310,000.00	310,000.00
2023	180,000.00	17,885.00	197,885.00	320,000.00	320,000.00
2024	185,000.00	9,065.00	194,065.00	335,000.00	335,000.00
2025	0.00	0.00	0.00	350,000.00	350,000.00
2026	0.00	0.00	0.00	370,000.00	370,000.00
<b>Total</b>	<b>\$3,385,000.00</b>	<b>\$1,548,687.54</b>	<b>\$4,933,687.54</b>	<b>\$5,000,000.00</b>	<b>\$5,000,000.00</b>

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

**General Obligation Bonded Debt**

Petal Separate School District (3/1/78)	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 380,000
General Obligation Sewer Refunding Bonds (3/15/89)	-	-	70,000	-	140,000	205,000
General Obligation Bonds (6/1/01)	960,000	1,025,000	1,085,000	1,145,000	1,200,000	-
General Obligation Bonds (7/7/04)	2,425,000	2,500,000	-	-	-	-
<b>Total</b>	<b>\$3,385,000</b>	<b>\$3,525,000</b>	<b>\$1,155,000</b>	<b>\$1,305,000</b>	<b>\$1,785,000</b>	<b>\$1,785,000</b>

**Debt Ratios**

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)

Forrest County	72,604	\$421,267,647	\$23,177,000	\$319.22
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SOURCE: Office of Chancery Clerk for Forrest County, January, 2006

Petal School District	\$118,281,744	\$0.00
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SOURCE: Superintendent's Office of School District, January, 2006

\$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

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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 is 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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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

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APPENDIX C  
BUDGETS

CITY OF PETAL  
MINUTE BOOK

EXHIBIT "A"

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.

/s/ Jean Isher  
CITY CLERK

PUBLISH: March 9 and 16, 2006

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ADOPTED BUDGET FOR FISCAL YEAR 2005-2006

EXHIBIT "H"

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

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 March 6, 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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EXHIBIT "H"

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

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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  
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CITY OF PETAL, MISSISSIPPI

EXHIBIT "H"

By: \_\_\_\_\_  
Carl Scott, 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 1.143-2(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 and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied without limitation as to time, rate or amount upon all the taxable property within the legal 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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CITY OF PETAL  
MINUTE BOOK

EXHIBIT "H"

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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, moratorium 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.

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.