

**CITY OF CLINTON
REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN
TUESDAY, MAY 17, 2011 - 7:00 P.M.
MUNICIPAL COURTROOM – 305 MONROE STREET**

WELCOME AND CALL TO ORDER Mayor Rosemary Aultman

INVOCATION AND PLEDGE OF ALLEGIANCE TO THE FLAG

The invocation was led by Alderman Hisaw followed by the pledge of allegiance to the flag led by Alderman Greer.

ROLL CALL City Clerk, Russell Wall

Present: Jehu Brabham – Alderman-at-Large
 Tony Hisaw – Alderman Ward 1
 Tony Greer – Alderman Ward 2
 William O Barnett – Alderman Ward 3
 Kathy Peace – Alderwoman Ward 4
 Mike Morgan – Alderman Ward 5
 Mike Cashion – Alderman Ward 6

APPROVAL OF CONSENT AGENDA ITEMS A - F

MOTION made by Alderwoman Peace and **SECONDED** by Alderman Brabham to approve the Consent Agenda Items A-F. **MOTION CARRIED UNANIMOUSLY**

APPROVE A PROCLAMATION PROCLAIMING MAY 16, 2011 THROUGH MAY 21, 2011 NATIONAL PUBLIC WORKS WEEK

Upon presentation by Rosemary Aultman, Mayor, **MOTION** made by Alderman Greer and **SECONDED** by Alderman Cashion the board approved a proclamation proclaiming May 16, 2011 through May 21, 2011 National Public Works Week. **MOTION CARRIED UNANIMOUSLY**

APPROVAL OF A RESOLUTION AUTHORIZING AND APPROVING THE MAYOR TO EXECUTE AN EQUIPMENT LEASE-PURCHASE AGREEMENT SUBJECT TO THE CITY ATTORNEY'S REVIEW WITH TRUSTMARK NATIONAL BANK FOR THE PURPOSE OF LEASE-PURCHASING ONE (1) 2011 CHEVROLET IMPALA FOR THE POLICE DEPARTMENT

Upon presentation by Russell Wall, City Clerk, **MOTION** made by Alderman Barnett and **SECONDED** by Alderman Cashion the board approved a resolution authorizing and approving the Mayor to execute an equipment Lease-Purchase Agreement subject to the city Attorney's review with Trustmark National Bank for the purpose of Lease-Purchasing one (1) 2011 Chevrolet Impala for the Police Department. The resolution and lease agreement is on file with the City Clerk. **MOTION CARRIED UNANIMOUSLY**

APPROVAL OF A RESOLUTION AUTHORIZING AND APPROVING THE MAYOR TO EXECUTE AN EQUIPMENT LEASE-PURCHASE AGREEMENT SUBJECT TO THE CITY ATTORNEY'S REVIEW WITH TRUSTMARK NATIONAL BANK FOR THE PURPOSE OF LEASE-PURCHASING FIVE (5) 2011 FORD CROWN VICTORIA'S FOR THE POLICE DEPARTMENT

Upon presentation by Russell Wall, City Clerk, **MOTION** made by Alderman Cashion and **SECONDED** by Alderman Morgan the board approved a resolution authorizing and approving the Mayor to execute an equipment Lease-Purchase Agreement subject to the City Attorney's review with Trustmark National Bank for the purpose of Lease-Purchasing five (5) 2011 Ford Crown Victoria's for the Police Department. The resolution and lease agreement is on file with the City Clerk. **MOTION CARRIED UNANIMOUSLY**

AUTHORIZE THE MAYOR TO EXECUTE A LOAN AGREEMENT BETWEEN THE STATE OF MISSISSIPPI LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS BOARD AND THE CITY OF CLINTON, MISSISSIPPI FOR THE RADIO READ METERS PROJECT

Upon presentation by Russell Wall, City Clerk, **MOTION** made by Alderman Hisaw and **SECONDED** by Alderman Brabham the board approved authorizing the Mayor to execute a loan agreement between the State of Mississippi Local Governments and Rural Water Systems Improvement Board and the City of Clinton, Mississippi for the Radio Read Meters project. The loan agreement is on file with the City Clerk. **MOTION CARRIED UNANIMOUSLY**

CONSIDER AN ORDER AUTHORIZING THE USE OF ELEVEN (11) SPECIFIC UNMARKED VEHICLES IN THE CLINTON POLICE DEPARTMENT

Upon presentation by Don Byington, Police Chief, **MOTION** made by Alderman Cashion and **SECONDED** by Alderwoman Peace the board approved an order authorizing the use of eleven (11) specific unmarked vehicles in the Clinton Police Department. The order is on file with the City Clerk. **MOTION CARRIED UNANIMOUSLY**

AUTHORIZE THE MAYOR TO EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN THE MISSISSIPPI STATE FIRE ACADEMY AND THE CITY OF CLINTON, MISSISSIPPI TO PROVIDE THE FIELD COURSE CURRICULUM OF NFPA 1041 FIRE INSTRUCTOR I AND II COURSES

Upon presentation by Barry Burnside, Fire Chief, **MOTION** made by Alderman Greer and **SECONDED** by Alderman Cashion the board approved authorizing the Mayor to execute a Memorandum of Understanding between the Mississippi State Fire Academy and the City of Clinton, Mississippi to provide the field course curriculum of NFPA 1041 Fire Instructor I and II Courses. **MOTION CARRIED UNANIMOUSLY**

APPROVE A REQUEST TO PURCHASE TWO (2) 72" ZERO TURN EX-MARK MOWERS STATE CONTRACT #5-515-21361-11 FOR THE DEPARTMENT OF PARKS AND RECREATION

Upon presentation by Ray Holloway, Director of Parks and Recreation, **MOTION** made by Alderman Barnett and **SECONDED** by Alderman Brabham the board approved the request to purchase two (2) 72" Zero Turn Ex-Mark mowers State Contract #5-515-21361-11 for the Department of Parks and Recreation. **MOTION CARRIED UNANIMOUSLY**

APPROVE THE TERMINATION OF THE CONTRACT WITH OMNI PINNACLE LLC FOR DEBRIS COLLECTION

Upon presentation by Mike Parker, Director of Public Works, **MOTION** made by Alderman Brabham and **SECONDED** by Alderwoman Peace the board approved the termination of the contract with Omni Pinnacle LLC for debris collection. And furthermore, the board approved releasing the contractor as quickly as possible or at the end of fifteen (15) days. **MOTION CARRIED UNANIMOUSLY**

OTHER BUSINESS

**APPROVE THE FIRST ADDENDUM TO THE CONTRACT FOR DEBRIS
REMOVAL FOR APRIL 15, 2011 THROUGH APRIL 28, 2011 TORNADO/HIGH
WIND DEBRIS WITH UTILITY CONSTRUCTORS, INC.**

Upon presentation by Mike Parker, Director of Public Works, **MOTION** made by Alderman Brabham and **SECONDED** by Alderman Greer the board approved the first addendum to the contract for debris removal for April 15, 2011 through April 28, 2011 Tornado/High Wind Debris with Utility Constructors, Inc. **MOTION CARRIED UNANIMOUSLY**

ADJOURN 7:37 P.M.

MOTION made by Alderman Brabham and **SECONDED** by Alderwoman Peace to adjourn until the next regular meeting of the Mayor and Board of Aldermen to be held on June 7, 2011 at 7:00 pm. **MOTION CARRIED UNANIMOUSLY**

APPROVED: *Rosemary G. Aultman*
Rosemary G. Aultman, Mayor

May 18, 2011
Date

ATTEST: *Russell L. Wall*
Russell L. Wall, City Clerk

May 18, 2011
Date



City of Clinton
Office of the Mayor

Proclamation

WHEREAS, public works services provided in our community are an integral part of our citizens everyday lives; and

WHEREAS, the support of an understanding and informed citizenry is vital to the efficient operation of public works systems and programs such as water, sewers, streets and highways, public buildings, and solid waste collection; and

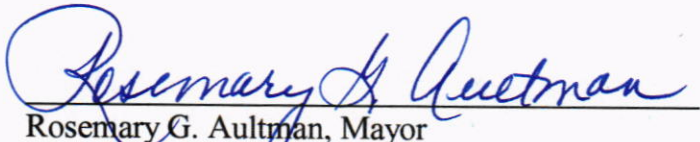
WHEREAS, the health, safety, and comfort of this community greatly depends on these facilities and services; and

WHEREAS, the quality and effectiveness of these facilities, as well as their planning, design, and construction, is vitally dependent upon the efforts and skill of public works officials; and

WHEREAS, the efficiency of the qualified and dedicated personnel who staff public works departments is materially influenced by the peoples attitude and understanding of the importance of the work they perform; and

NOW, THEREFORE, I, Rosemary G. Aultman, Mayor of the City of Clinton, do hereby proclaim the week of May 16-21, 2011 as **"National Public Works Week"** in the City of Clinton, and I call upon all citizens and civic organizations to acquaint themselves with the issues involved in providing our public works and to recognize the contributions which public works officials make every day to our health, safety, comfort, and quality of life.

Given under my hand and Seal of the City of Clinton, this the 17th day of May, 2011.


Rosemary G. Aultman, Mayor



**RESOLUTION AUTHORIZING AND APPROVING EXECUTION
OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH
TRUSTMARK NATIONAL BANK
FOR THE PURPOSE OF LEASE-PURCHASING CERTAIN EQUIPMENT**

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

1. The Lessee desires to enter into an Equipment Lease-Purchase Agreement with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Agreement") with Trustmark National Bank (the "Lessor") for the purpose of presently purchasing the equipment as described therein for the total cost specified therein (collectively the "Equipment") and to purchase such other equipment from time to time in the future upon appropriate approval;
2. The Lessee is authorized pursuant to Section 31-7-13(e) of the Mississippi Code of 1972, as amended, to acquire equipment and furniture by Lease-Purchase agreement and pay interest thereon by contract for a term not to exceed 10 years;
3. It is in the best interest of the residents served by Lessee that the Lessee acquire the Equipment pursuant to and in accordance with the terms of the Agreement; and
4. It is necessary for the Lessee to approve and authorize the Agreement.
5. The Lessee desires to designate the Agreement as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

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

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

Section 2. The Agreement is being issued in calendar year 2011.

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

Section 4. No portion of the rental payments identified in the Agreement (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a

person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

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

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

Section 7. In calendar year 2011, Lessee has designated \$17,291.00 of tax-exempt obligations (including the Agreement) as qualified tax-exempt obligations. Including the Agreement herein so designated, Lessee will not designate more than \$10,000,000 of obligations issued during calendar year 2011 as qualified tax-exempt obligations.

Section 8. Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by lessee during calendar year 2011 will not exceed \$10,000,000.

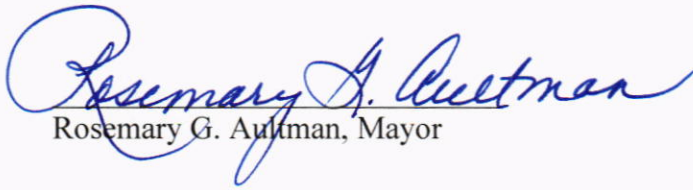
Section 9. For purposes of this resolution, the amount of tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by all entities deriving their issuing authority from lessee or by an entity subject to substantial control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

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

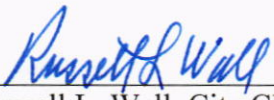
Following the reading of the foregoing resolution Alderman Barnett moved that the foregoing resolution be adopted; Alderman Cashion seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

Alderman Brabham	AYE
Alderman Hisaw	AYE
Alderman Greer	AYE
Alderman Barnett	AYE
Alderwoman Peace	AYE
Alderman Morgan	AYE
Alderman Cashion	AYE

The motion having received the affirmative vote of all members present, the Mayor declared the motion carried and the resolution adopted this the 17th day of May 2011.


Rosemary G. Aultman, Mayor

ATTEST:



Russell L. Wall, City Clerk



LEASE-PURCHASE AGREEMENT

Between

TRUSTMARK NATIONAL BANK

As Lessor

and

the

CITY OF CLINTON, MISSISSIPPI

As Lessee

Dated as of the 3rd day of May 2011

THIS LEASE-PURCHASE AGREEMENT ("Lease") dated as of the **3rd day of May 2011** between Trustmark National Bank, a national banking association organized and existing under the laws of the United States of America, as lessor ("Lessor") whose address is **1151 PINEHAVEN BLVD., CLINTON, MS, 39056 and CITY OF CLINTON, MISSISSIPPI**, as lessee ("Lessee"), whose address is **P.O. BOX 156, CLINTON, MS, 39060**.

RECITALS

Lessee is authorized by law to acquire items of property as are needed to carry out its governmental functions and to acquire such property by entering into lease-purchase agreements.

Lessee has determined that it is necessary for it to acquire the hereafter described Equipment.

Lessor is willing to acquire such items of Equipment and to lease them to Lessee pursuant to this Lease.

NOW THEREFORE, in the joint and mutual exercise of their powers and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

AGREEMENTS

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

Code: The Internal Revenue Code of 1986, as amended.

Contractor: The manufacturer(s) or vendor(s) from whom Lessee has ordered or will order or with whom Lessee has contracted or will contract for the manufacture, delivery, sale and/or installation of the Equipment.

Equipment: The property described in Exhibit A.

Fiscal Year: The twelve months fiscal period of Lessee which commences on **SEPTEMBER 30TH** in every year and ends on the following **SEPTEMBER 30TH**.

Governing Body: The **MAYOR and BOARD OF ALDERMEN** of the Lessee.

Interest Component: The portion of any Rental Payment designed as interest as shown in Exhibit B.

Net Proceeds: Any insurance proceeds or condemnation award paid with respect to the Equipment remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the Governing Body to appropriate money for any Fiscal Year of Lessee sufficient for the continued performance of this Lease by Lessee.

Payment Date: The date upon which any Rental Payment is due and payable as provided in Exhibit B.

Permitted Encumbrances: At any particular time: (i) liens on Lessee's interest in the Equipment for taxes and assessments not then delinquent, (ii) this Lease and any amendments hereto, (iii) Lessor's interest in the Equipment, and (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right which secures an amount not then due and owing for goods or services.

Principal Component: The portion of any Rental Payment designed as principal in Exhibit B.

Purchase Option Price: With respect to the Equipment, as of the Payment Dates specified in Exhibit C, the amount set forth opposite such date assuming all Rental Payments and other amounts due from Lessee to Lessor have been paid as and when due.

Rental Payment: The payment due from Lessee to Lessor on each Payment Date during the Term as shown in Exhibit B.

Specifications: The bid specifications and/or purchase order pursuant to which Lessee ordered the Equipment from a Contractor.

State: The State of Mississippi.

State and Federal Law or Laws: The Constitution and any laws of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any agency of the United States.

Term: Unless sooner terminated pursuant to the provisions of this Lease, the period of time commencing upon the date of the execution hereof and ending on **3rd** day of **JULY 2014**.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, warrants and covenants as follows:

- (a) Lessee is a **MUNICIPALITY**, which is a political subdivision of the State, duly organized and existing under the Constitution and laws of the State.
- (b) Lessee is authorized under the Constitution and laws of the State to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.
- (c) The official of Lessee executing this Lease has been duly authorized to execute and deliver this Lease under the terms and provisions of a resolution of Lessee's Governing Body, or by other appropriate official action.
- (d) In authorizing and executing this Lease, Lessee has complied with all public bidding and other State and Federal laws applicable to this Lease and the acquisition of the Equipment by Lessee.
- (e) The Equipment will be used only to carry out the governmental purposes and to perform essential governmental functions of Lessee.
- (f) Upon delivery and installation of the Equipment, Lessee will provide Lessor with a completed and executed Certificate of Acceptance in the form attached hereto as Exhibit D. If Lessee fails to execute and deliver a Certificate of Acceptance within 5 business days after delivery and installation of the Equipment, Lessee shall be deemed to have done so.
- (g) Upon the execution of this Lease, Lessee will provide to Lessor an opinion of its legal counsel in the form attached hereto as Exhibit E.
- (h) Upon the execution of this Lease, unless waived by Lessor, Lessee will provide to Lessor a Federal Tax Certificate in the form attached hereto as Exhibit F.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:

- (a) Lessor is a national banking association, duly organized, validly existing and in good standing under the laws of the United States of America.
- (b) Lessee is duly authorized to transact business in the State; has the power to own and lease the Equipment; and has duly authorized the execution and delivery of this Lease.

ARTICLE III

LEASE OF EQUIPMENT

Section 3.1. Lease. Subject to and conditioned upon the delivery of the Equipment by Contractor, Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, upon the terms and conditions set forth in this Lease.

Section 3.2. Possession and Enjoyment. Lessor hereby covenants to provide Lessee during the Term of this Lease with the quiet use and enjoyment of the Equipment.

Section 3.3. Lessor Access to Equipment. The Lessee agrees that Lessor shall have the right, at all reasonable times, to examine and inspect the Equipment and to maintain and care for same if Lessee fails to perform its obligations hereunder.

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term. This Lease shall be in effect for the Term.

Section 4.2. Termination Due To Non-Appropriation. In the sole event of Non-appropriation prior to an event of default, Lessee shall have the right to terminate this Lease, in whole, but not in part, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this Section and Sections 4.4 and 4.6. Lessee may effect such termination by giving Lessor written notice of termination and by paying to Lessor all Rental Payments which are due through the date of termination. Lessee shall endeavor to give Lessor not less than 60 days prior written notice of termination and shall notify Lessor as soon as reasonably possible of any anticipated termination. In the event of termination of this Lease as provided in this Section, Lessee shall deliver possession of the Equipment to Lessor in accordance with Section 12.3, and shall execute any documents reasonably requested by Lessor to release its interest in the Equipment.

Section 4.3. Intent to Continue Lease Term; Appropriations. Lessee presently intends to continue this Lease for its entire Term and to pay all Rental Payments specified in Exhibit B. The appropriate department representative of Lessee will include in its budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means at its disposal to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due for such Fiscal Year. Lessee reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose.

Section 4.4. Effect of Termination. Upon termination of this Lease as provided in Section 4.2, Lessee shall not be responsible for the payment of any Rental Payments coming due with respect to succeeding Fiscal Years, but if Lessee has not delivered possession of the Equipment to Lessor in accordance with Section 12.3 and released and conveyed its interest in

the Equipment to Lessor within ten days after the termination of this Lease, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments coming due for the period during which Lessee fails to take such actions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions.

Section 4.5. Nonsubstitution. If this Lease is terminated by Lessee in accordance with Section 4.2, Lessee agrees that for a period of one year after termination, to the extent allowed by law, it will not purchase or lease other property or contract with any third party to perform the same functions as, or functions taking the place of, those performed by the Equipment; provided, however, that this restriction shall not be applicable in the event the Equipment previously has been sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the Purchase Option Price applicable through the last Rental Payment.

Section 4.6. Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events:

- (a) the termination thereof by Lessee in accordance with Section 4.2;
- (b) the exercise by Lessee of its option to purchase the Equipment pursuant to Article X;
- (c) a default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII; or
- (d) the expiration of the Term if Lessee has made all Rental Payments required Lessee hereunder as and when due and has otherwise performed its obligations hereunder.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. Lessee agrees to pay Rental Payments during the Term of the Lease in the amounts and on the dates specified in Exhibit B. All Rental Payments shall be paid to Lessor at its offices at the address specified in the first paragraph of this Lease or to such other person or entity and at such other places as Lessor may, from time to time, designate by written notice to Lessee. If any Rental Payment is not paid within 10 days of the due date thereof, to the extent allowed by law, Lessee shall also be liable to Lessor for a late payment charge equal to the greater of \$50.00 or four percent of the amount of the delinquency plus interest on the amount of the delinquency at the per annum rate of interest equal to the lesser of 11 percent or the maximum rate allowed by law.

Section 5.2. Current Expense. Lessor and Lessee agree that the intent of this Lease is that the obligations of Lessee under this Lease, including its obligation to pay the Rental Payments due with respect to the Equipment, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee for the benefit of Lessee of any taxes or other moneys in the annual budget of Lessee (or the proceeds or net proceeds of the Equipment) to the payment of any Rental Payment or other amount due hereunder.

Section 5.3. Principal and Interest Components. Each Rental Payment consists of a Principal Component and an Interest Component, all as more fully described in Exhibit B.

Section 5.4. Rental Payments to be Unconditional. Except as provided in Section 4.2, the obligation of Lessee to make Rental Payments and other payments required hereunder shall be absolute and unconditional. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all such payments required hereunder as and when due and shall not withhold any such payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments. Lessee's obligation to make any payment required hereunder shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.5. Tax Exemption. (a) Lessee acknowledges and agrees that the Rental Payments have been calculated by Lessor assuming that the Interest Component of each Rental Payment is exempt from federal income taxation. Lessee will do and refrain from doing all things necessary and appropriate to insure that the Interest Component of all Rental Payments is exempt from federal income taxation. In that regard, Lessee represents, covenants and warrants that:

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

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

(iii) No portion of the cost of the Equipment will be used (directly or indirectly) to make or finance loans to persons other than governmental units.

(iv) The Lessee will execute and file all information statements required by Section 149(e) of the Code and timely pay amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code.

(b) Lessee and Lessor acknowledge that Lessee has designated this Lease as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code.

(c) In the event any governmental taxing authority successfully imposes an income tax on the Interest Component or imposes an income tax on the interest component under any similar lease of Lessor which, in the opinion of Lessor's counsel, will be determinative of the tax treatment under this Lease, then Lessee agrees to pay additional Rental Payments retroactively from the date of such imposition through the end of the Term during which such tax is imposed in an amount adequate to compensate Lessor, on an after-tax basis, for the tax imposition.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.1. Liability Insurance. Upon receipt of possession of the Equipment, Lessee shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation or other general use of the Equipment are covered by a liability insurance policy or program acceptable to Lessor. To the extent allowed by law, Lessee shall cause Lessor to be named as an additional insured in such policy. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 6.2. Property Insurance. Upon receipt of possession of the Equipment, Lessee shall have and assume the risk of loss with respect thereto. Lessee shall maintain in effect during the Term of the Lease, casualty insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that if a claim is made for a total loss of the Equipment such insurance proceeds will be sufficient to pay the applicable Purchase Option Price. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with a deductible not in excess of \$1,000.00. The Net Proceeds of insurance required by this Section shall be applied to the purchase of the Equipment as provided in Section 6.7.

Section 6.3. Worker's Compensation Insurance. If required by State law, Lessee shall carry Worker's Compensation Insurance covering all employees on, in, near or about the Equipment, and, upon request, shall furnish Lessor with certificates evidencing such coverage throughout the Term.

Section 6.4. Requirements For All Insurance. All insurance policies (or riders) required by this Article shall be maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving at least 30 days prior written notice to Lessor; and shall name Lessor as an additional insured under any liability insurance policy and as a loss payee under any casualty insurance policy. At Lessor's request, Lessee shall deposit with Lessor policies (and riders) evidencing any such insurance procured by it.

Section 6.5. General Indemnity. To the maximum extent allowed by law, Lessee assumes liability for, and shall indemnify, protect, save, and keep harmless Lessor and its agents, servants, successors, and assigns (each an indemnitee) from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, and expenses, including legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against any indemnitees, in any way relating to or arising out of this Lease or the enforcement hereof, or the manufacture, purchase, acceptance, rejection, ownership, possession, use, selection, delivery, lease, operation, condition, sale, return, or other disposition of the Equipment or any part thereof (including, without limitation, latent or other defects, whether or not discoverable by Lessee or any other person, any claim in tort for strict liability and any claim for patent, trademark, or copyright infringement); provided, however, that Lessee shall not be required to indemnify any indemnitee for loss or liability arising from acts or events that occur after the Equipment has been returned to Lessor in accordance with this Lease, or for loss or liability resulting solely from the willful misconduct or negligence of such Indemnitee. The provisions of this Section 6.5 shall survive the expiration or earlier termination of this Lease.

Section 6.6. Damage to or Destruction of Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall, as soon as practicable after such event, either: (i) replace the same at Lessee's sole cost and expense with replacement equipment acceptable to Lessor, whereupon such replacement shall be substituted in this Lease by appropriate documentation; or (ii) pay the applicable Purchase Option Price of the Equipment as set forth in Exhibit C. Lessee shall notify Lessor of which course of action it will take within 15 days after the loss, destruction or damage. If Lessee elects clause (i) but fails to perform its obligation thereunder within 30 days after the loss, destruction or damage, Lessor may, at its option, declare the applicable Purchase Option Price of the Equipment set forth in Exhibit C immediately due and payable, and Lessee shall be obligated to pay the same. The Net Proceeds of all insurance payable with respect to the Equipment shall be made available to Lessee to be used to discharge Lessee's obligation under this Section. On payment of the Purchase Option Price, this Lease shall terminate and Lessee thereupon shall become entitled to the Equipment AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that the Equipment shall not be subject to any lien or encumbrance created or arising through Lessor.

ARTICLE VII OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use or operate the Equipment improperly, carelessly, in violation of any State or Federal laws, or for a purpose or in a manner contrary to that contemplated by this Lease. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall, at Lessee's expense, comply with all State and Federal Laws, that require changes or additions to be made to the Equipment.

Section 7.2. Maintenance of Equipment by Lessee. Lessee shall, at its expense, maintain, preserve and keep the Equipment in good repair, working order and condition.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, Lessee shall pay all taxes, special assessments, and other charges of any kind which are lawfully assessed or levied against or with respect to the Equipment, the Rental Payments or any part thereof with respect to the Term. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section. Lessee may, at its own expense and in its own name, in good faith contest any such taxes, assessments, and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its reasonable determination, the interest of Lessor in the Equipment could be materially endangered by nonpayment of any such items, in which event Lessee shall promptly pay such taxes, assessments and charges or provide Lessor with full security against any loss which may result from non-payment, in form reasonably satisfactory to Lessor.

Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of 11 percent per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE VIII

TITLE

Section 8.1. Title. During the Term, and so long as Lessee is not in default as provided in Article XII, legal title to the Equipment and any and all replacements, accessories, substitutions and modifications thereto shall be in Lessee. Upon termination of this Lease for any of the reasons specified in clauses (a) and (c) of Section 4.6., full and an encumbered legal title to the Equipment shall pass to Lessor, and Lessee shall have no further interest therein. In such event, Lessee shall execute and deliver to Lessor such documents as Lessor may request to

evidence the passage of legal title to the Equipment to Lessor and the termination of Lessee's interest in the Equipment. Upon termination of this Lease for either of the reasons specified in clauses (b) and (d) Section 4.6, Lessor's security or other interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's interest in the Equipment.

Section 8.2. Security Interest. Lessor shall have and retain and Lessee hereby grants to Lessor, a security interest under the Uniform Commercial Code in the Equipment, the proceeds thereof and all, replacements, accessories, substitutions and modifications thereto in order to secure the Rental Payments and the other obligations of Lessee hereunder. Lessee will join with Lessor in executing such financing statements or other documents and will perform such acts as Lessor may request to perfect such security interest in the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment and maintain such markings during the Term, so as clearly to disclose Lessor's interest in the Equipment.

Section 8.3. Liens. During the Term of this Lease, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary promptly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrances or claim.

Section 8.4. Installation of Lessee's Equipment. Lessee may, at any time and from time to time, in its sole discretion and at its own expense, install other accessories and components upon the Equipment, which items shall be identified by tags or other symbols affixed thereto as property of Lessee. All such items so identified shall remain the sole property of Lessee, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore any and all damage to the Equipment resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent Lessee from purchasing such accessories or components under a conditional sale or lease/purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Equipment.

Section 8.5. Modification of Equipment. Lessee shall, at its own expense, have the right to make repairs, replacements, substitutions and modifications to all or any part of the Equipment, except that Lessee shall not be permitted to remove or disable safety features or devices. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Equipment and be subject to the provisions of this Lease. Such work shall not in any way damage the Equipment or cause it to be used for purposes other than those authorized under the provisions of State and Federal law or those contemplated by this Lease. Any property for which a replacement or substitution is made pursuant to this Section may be disposed of by Lessee. Lessee will not

permit any mechanic's or other lien to be established or remain against the Equipment for labor or materials furnished in connection with any repair, replacement, substitution or modification of the Equipment; provided, that if any such lien is established and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may, in good faith, contest any lien filed or established against the Equipment, and, in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its opinion, by nonpayment of any such item the interest of Lessor in the Equipment could be materially endangered or the Equipment or any part thereof could be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form reasonably satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon the request and at the expense of Lessee.

Section 8.6. Personal Property. Lessor and Lessee agree that the Equipment is and shall at all times be and remain personal property notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

ARTICLE IX

EQUIPMENT WARRANTIES

Section 9.1. Selection of Equipment. Lessor and Lessee agree that this is a "finance lease" under Article 2A of the Uniform Commercial Code. The Equipment and the Contractor have been selected by Lessee, and Lessor has no responsibility in connection with the selection of the Equipment, its suitability for the use intended by Lessee, or any delay or failure to manufacture, deliver or install the Equipment for use by Lessee. Lessee authorizes Lessor to add the serial number of the Equipment to Exhibit A when available.

Section 9.2. Installation and Maintenance of Equipment. Lessor shall have no obligation to install, erect, test, inspect, service or maintain the Equipment under any circumstances, but such actions shall be the obligation of Lessee or the Contractor.

Section 9.3. Contractor's Warranties. To the extent it may legally do so, Lessor hereby assigns to Lessee during the Term, all of its interest in all Contractor's warranties and guarantees, express or implied, applicable to the Equipment, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.

Section 9.4. Patent Infringement. To the extent it may legally do so, Lessor hereby assigns to Lessee for and during the Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Equipment. Such assignment of patent indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by Equipment furnished pursuant to this Lease.

Section 9.5. Disclaimer of Warranties. THE EQUIPMENT IS DELIVERED AS IS, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT.

ARTICLE X

OPTION TO PURCHASE

Section 10.1. When Available. Lessee shall have the option to purchase Lessor's interest in the Equipment on any Payment Date for the then applicable Purchase Option Price set forth in Exhibit C, but only if Lessee is not in default under this Lease, and only in the manner provided in this Article.

Section 10.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than 30 days prior to the Payment Date on which the option is to be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts then due or past due and the applicable Purchase Option Price set forth in Exhibit C. The closing shall be on the Payment Date on which the option is to be exercised at the office of Lessor.

Section 10.3. Release of Lessor's Interest. Upon exercise of the Purchase Option by Lessee, Lessor shall convey or release to Lessee all of its right, title and interest in and to the Equipment by delivery to Lessee of such documents as Lessee reasonably deems necessary for this purpose.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by Lessor. All of Lessor's right, title and/or interest in and to the Equipment, this Lease, the Rental Payments and other amounts due hereunder may be assigned and reassigned, in whole or in part, to one or more assignees or subassignee at any time, without the consent of Lessee. Such assignment shall not be effective with respect to Lessee unless and until Lessor shall have filed a copy or written notice thereof with Lessee.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Lease nor Lessee's interest in the Equipment may be assigned transferred, mortgaged, or otherwise pledged by Lessee, in whole or in part, without the written consent of Lessor. However, the Equipment may be subleased by Lessee, in whole or in part, without the consent of Lessor, subject, however, to compliance with each of the following conditions:

(i) This Lease and the obligation of Lessee to make Rental Payments hereunder shall remain obligations of Lessee.

(ii) The sublessee shall assume the obligations of Lessee hereunder to the extent of the interest subleased in form and substance satisfactory to Lessor.

(iii) Lessee shall, within 30 days after the delivery thereof, furnish or cause to be furnished to Lessor a true and complete copy of such sublease.

(iv) No sublease by Lessee shall cause the Equipment to be used for a purpose other than a governmental function authorized under the provisions of the Constitution and laws of the State.

(v) No sublease shall cause the Interest Component of the Rental Payments to become subject to federal income taxation.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever used in this Lease with respect to the Equipment, any one or more of the following events:

(i) Failure by Lessee to pay any Rental Payment or other payment required to be paid under this Lease within five days of the time specified herein.

(ii) Failure by Lessee to provide the insurance coverages required herein.

(iii) Failure by Lessee to observe and perform any covenant, condition or agreement (other than as referred to in Clauses (i) or (ii) of this Section) on its part to be observed or performed, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(iv) The filing by Lessee of a voluntary petition in bankruptcy; the failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental or proprietary function; the adjudication of Lessee as a bankrupt; the granting by Lessee of an assignment for the benefit of creditors; the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the United States Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section 12.1 and Section 12.2 are subject to the following limitation: if by reason of force majeure Lessee is unable, in whole or in part, to carry out its obligations under this Lease with respect to the Equipment, other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Lessee unfavorable to Lessee.

Section 12.2. Remedies on Default. Whenever any event of default referred to in Section 12.1 hereof shall have occurred and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(i) With or without terminating this Lease, declare all Rental Payments due or to become due to be immediately due and payable, whereupon such Rental Payments shall be immediately due and payable.

(ii) With or without terminating this Lease, by written notice to the Lessee, request the Lessee to (and the Lessee agrees that it will), at the Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 12.3 hereof, or the Lessor, at its option, may (i) enter upon the premises where the Equipment is located and take immediate possession of and remove the same, (ii) require the Lessee to assemble the Equipment and make the Equipment available to the Lessor at a place to be designated by the Lessor which is reasonably convenient to both parties, and/or (iii) without removal, the Lessor may render the Equipment unuseable, and may sell or otherwise dispose of the Equipment on the Lessee's premises at a public or private sale with such sale to meet the requirements of a public or private sale with the application of the sale proceeds all as provided in Section 12.2(iii). Lessee hereby expressly waives any damages occasioned by such repossession or other disposal of Equipment as provided in this paragraph (ii). If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Purchase Option Price of the Equipment, as set forth in Exhibit C (less credit for Net Proceeds), to Lessor. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments as and when due. If the Lease has not been terminated, Lessor shall return the Equipment to Lessee at Lessee's expense when the event of default is cured.

(iii) If Lessor terminates this Lease and takes possession of the Equipment, Lessor shall use its best efforts promptly to sell the Equipment, as a unit or in parts, in a commercially reasonable manner at public or private sale in accordance with applicable laws. Lessor shall apply the proceeds of such sale to pay the following items in the following order: (a) all costs incurred in securing possession of the Equipment; (b) all expenses incurred in completing the sale; (c) the balance of any Rental Payments owed by Lessee through the date of termination, and (d) the Purchase Option Price.

(iv) If the proceeds of sale of the Equipment are not sufficient to pay all amounts specified in Section 12.2(iii)(a)-(c), Lessee shall be liable for the deficiency and Lessor may take any other remedy available at law or in equity to require Lessee to perform its obligations hereunder.

Notwithstanding any other provision of this Section 12.2, Lessor shall be entitled to damages with respect to the Lease in an amount equal to, but not in excess of, the economic equivalent intended to be provided by Lessee's payment of the Rental Payments and/or Purchase Option Price provided for herein, as and when due, plus any amount necessary to compensate Lessee for all costs, fees and expenses incurred as a result of Lessee's default.

Section 12.3. Return of Equipment. Upon the expiration or termination of this Lease prior to the payment of all Rental Payments or the Purchase Option Price, Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in section 7.2, in the following manner as may be specified by Lessor: (i) by delivering the Equipment, at Lessee's cost and expense, to such place within the State as Lessor shall specify; or (ii) by shipping the same, freight prepaid, to a place within the United States specified by Lessor. If Lessee fails to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge Lessee with the costs of such repossession or pursue any remedy described in Section 12.2.

Section 12.4. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power nor shall it be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor or its assignee.

Section 12.5. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys and/or incur other expenses for the collection of moneys or for the enforcement of any obligation or agreement of the defaulting party hereunder, the defaulting party agrees that it will, on demand, pay to the nondefaulting party the reasonable fees of such attorneys and/or such other reasonable expenses so incurred by the nondefaulting party.

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail, postage prepaid, to the addresses specified on the first page hereof; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2. Financial information. During the Term of the Lease, within 180 days of Lessee's fiscal year end Lessee will provide Lessor with current financial statements and such other financial information as may be requested by Lessor or its assignee.

Section 13.3 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.4 Book Entry. The Lessor's interest in this Lease and any interest herein may be transferred only through a book entry system as prescribed by Section 149(a) of the Code, as the same may be amended from time to time. During the Term of this Lease, Lessee shall keep a complete and accurate record of all assignments and other transfers in form and substance necessary to comply with Section 149(a) of the Code. Upon assignment of Lessor's interest herein, Lessor will cause written notice of such assignment to be sent to Lessee and, upon receipt of such notice of assignment, Lessee shall: (i) acknowledge the same in writing to Lessor; and (ii) record the assignment in Lessee's "book entry system" as that term is defined in Section 149(a) of the Code. No further action will be required by Lessor or by Lessee to evidence the assignment. No such assignment shall become effective without recordation of the assignment in said "book entry system."

Section 13.5. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.6. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by Lessor and Lessee.

Section 13.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 13.8. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment, for indicating the commencement date and for carrying out the expressed intention of this Lease.

Section 13.9. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.10. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be executed by their duly authorized officers or officials as of the date first above written.

TRUSTMARK NATIONAL BANK, Lessor

By Nolan Aikens
NOLAN AIKENS

Its VICE PRESIDENT

CITY OF CLINTON, MISSISSIPPI, Lessee

By Rosemary A. Aultman
ROSEMARY AULTMAN

Its MAYOR

EXHIBIT A

EQUIPMENT

The Equipment which is the subject of the attached Lease-Purchase Agreement is as follows:

<u>Quantity</u>	<u>Description</u>	<u>VIN</u>
(1)	New 2011 Chevrolet Impala LS, Patrol Car	2G1WF5EK7B1268656

(SEE ATTACHED INVOICE)

CUSTOMER'S PURCHASE ORDER

04/20/11

JAMES LUSTER

Deal No.

Date

53352

City of CLINTON

DOB

Driver's License #

DOB

Driver's License #

300 NORTH JEFFERSON ST CLINTON, MS 39056

County HINDS

Business Phone (601) 925-6107

dent Phone

oil

Use Enter My Order for the following: ☐ New ☐ Used ☐ Demo

Vehicle CHEVROLET Model IMPALA Body Type LS FLEET Year 2011 Stock # 5-FL470

Summit WHI ID # 261WF5EK7B1268656

Mileage 10

USED CAR TRADE-IN AND/OR OTHER CREDITS			SELLING PRICE	17,448.00
YEAR	MAKE	MODEL		N/A
MILEAGE	V.I.N.			N/A
YEAR	MAKE	MODEL	PRICE OF VEHICLE & OPTIONS:	17,448.00
MILEAGE	V.I.N.		TRADE ALLOWANCE:	N/A
			NET DIFFERENCE:	17,448.00
			*DOCUMENT/SERVICE FEE	189.50
			PROTECTION PLUS: (OPTIONAL)	N/A
			SUB TOTAL:	17,448.00
			SALES TAX:	N/A
			STATE TITLE & INSPECTION:	15.00
				N/A
				N/A
			SUB-TOTAL:	17,463.00
			**PAY-OFF BALANCE OF TRADE	N/A
			VEHICLE SERVICE CONTRACT (OPTIONAL)	N/A
			ROAD HAZARD: (OPTIONAL)	N/A
			CAR CARE: (OPTIONAL)	N/A
			TOTAL LOSS PROTECTION: (OPTIONAL)	N/A
				N/A
				N/A
				N/A
			TOTAL DUE:	17,463.00
			DOWN PAYMENT	N/A
			REBATE (IF APPLICABLE)	N/A
			UNPAID BALANCE	17,463.00
			PAYOFF BALANCE: CUSTOMER AGREES TO PAY ANY DIFFERENCES**	

AUTOMOBILE BILL OF SALE		
As part of this agreement I hereby sell and convey to GRAY-DANIELS AUTO FAMILY the above described vehicle of which I am the sole owner and warrant said vehicle to be free and clear of all liens and encumbrances except those stated below.		
X _____ (CUSTOMER'S SIGNATURE)		

PAYOFF INFORMATION		
PAYOFF TO		
ADDRESS		
CITY	STATE	ZIP
AMOUNT	N/A ACCT. #	
QUOTED BY:	GOOD UNTIL:	

LIEN INFORMATION ON PURCHASE		
INSTITUTION		
ADDRESS		
CITY	STATE	ZIP
LIEN AMOUNT \$	17,463.00	

INSURANCE VERIFICATION		
INS. CO.	PH. NO.	
POLICY NO.		
VERIFIED BY:		

This Customer's Purchase Order is hereby entered into by and between the Customer and Asbury MS Gray-Daniels LLC ("Dealer"). A DOCUMENT/SERVICE FEE IS NOT AN OFFICIAL FEE AND IS NOT REQUIRED BY LAW. HOWEVER, IT MAY BE CHARGED TO A BUYER/LESSEE FOR THE HANDLING OF DOCUMENTS AND THE PERFORMING OF SERVICES RELATED TO THE SALE OR LEASE AND MAY INCLUDE DEALER PROFIT. THIS NOTICE IS REQUIRED BY REGULATION OF THE MISSISSIPPI MOTOR VEHICLE COMMISSION.

ALL EXPRESS WARRANTIES, IF ANY, BY A MANUFACTURER OR SUPPLIER ARE THEIRS, NOT THE DEALERS, UNLESS OTHERWISE PROVIDED IN WRITING AND FURNISHED TO THE CUSTOMER BY THE DEALER. MISSISSIPPI'S IMPLIED WARRANTY LAW MAY GIVE THE CUSTOMER ADDITIONAL RIGHTS. In the event of an increase in the price by the manufacturer occurring prior to delivery of the vehicle to the dealer, you agree to pay the difference in price.

STATE TAX COMMISSION

Form 78-002-07-7-1-000 (Rev. 04/07)

DEPARTMENT OF REVENUE
TITLE BUREAU - POST OFFICE BOX 1383
JACKSON, MISSISSIPPI 39215

APPLICATION FOR CERTIFICATE OF TITLE

ENTER
COMPLETE
MISSISSIPPI
TITLE NO.

VEHICLE
TYPE:

First Miss. Title.
Attach M.C.O. or
other state title.

Attach
Miss. Title

Attach
Miss. Title

Attach
Miss. Title

TITLE TYPE: ORIGINAL (0) ☒

CORRECTION (C) ☐

TRANSFER (T) ☐

LIEN CHANGE (L) ☐

9 DIGITS EXAMPLE 1 2 3 4 5 6 7-01

HAIL (H) ☐

FLOOD (F) ☐

SALVAGE (S) ☐

REBUILT (R) ☐

OTHER ☐

PASS. (1) ☐

TRK. TRACTOR (2) ☐

AMB. (3) ☐

TRK. (4) ☐

BUS (5) ☐

PVT. TLR. (6) ☐

MOTORCYCLE (7) ☐

MOTOR HOME CAB (8) ☐

TRK.TLR. (9) ☐

YEAR	MAKE	MODEL/SERIES	CYL	NO. PASS OR GVW	BODY TYPE	COLOR	NEW	USED	FUEL	VEHICLE IDENTIFICATION NO. (VIN)	ODOMETER CODE EXAMPLE 00-123456
11	CHEVROL	IMPALA	6		LS F	SUMMIT W-TXX			G	261WF5EK7D126B656	00-10

FROM WHOM PURCHASED (NAME) GRAY-DANIELS CHEVROLET			STREET / APT. / P.O. BOX / 6060 I-55 N FRONTAGE ROAD			CODE: 00-ACTUAL 11-EXCEEDS LIMIT 12-NOT ACTUAL-DISCREPANCY	
CITY JACKSON	STATE MS	ZIP CODE 39211	PREVIOUS TITLE NO.	TITLING STATE	TAG NO.	EXP.YR.	

OWNER(S) LAST NAME, FIRST, INITIAL (& &OR; OR) FIRST, INITIAL CITY OF CLINTON			STREET / APT. / P.O. BOX / 300 NORTH JEFFERSON ST				
--	--	--	--	--	--	--	--

CITY CLINTON	STATE MS	ZIP CODE 39056	CO. CODE 252	DATE OF PURCHASE MO. 4 DAY 20 YR. 11	TRADE IN YES ☐ NO ☐	PURCHASED OUT OF STATE YES ☐ NO ☐
-----------------	-------------	-------------------	-----------------	---	--	--

1st LIENHOLDER NAME N/A			STREET ADDRESS N/A				
CITY N/A	STATE N/A	ZIP CODE N/A	LIENHOLDER NUMBER Contact Lienholder & get this		DATE OF LIEN MO. 4 DAY 20 YR. 11		

2nd LIENHOLDER NAME			STREET ADDRESS				
CITY	STATE	ZIP CODE	LIENHOLDER NUMBER Contact Lienholder & get this		DATE OF LIEN MO. DAY YR.		

GRAY-DANIELS CHEVROLET

BY

AUTHORIZED SIGNATURE

NAME OF SELLER

I, THE UNDERSIGNED, CERTIFY THAT THE VEHICLE DESCRIBED ABOVE IS OWNED BY ME AND I HEREBY MAKE APPLICATION FOR A CERTIFICATE OF TITLE FOR SAID MOTOR VEHICLE, AND THIS VEHICLE WILL NOT BE SUBJECT OF LIEN PRIOR TO RECEIPT OF TITLE UNLESS INDICATED ABOVE.

*** DISCLOSURE STATEMENT AND PRIVACY ACT NOTICE ***

DRIVER'S LICENSE NUMBERS ARE REQUIRED BY STATE LAW AND WILL BE USED IN THE ADMINISTRATION OF STATE MOTOR VEHICLE LAWS. THE COMMISSION IS AUTHORIZED TO COLLECT THE INFORMATION PURSUANT TO 42 U.S.C. § 405(c)(2)(C) AND MISS. CODE ANN. § 63-21-15. TITLES AND REGISTRATION RECORDS MAY BE RELEASED ONLY PURSUANT TO 18 U.S.C. §§ 2721-2725. FAILURE TO PROVIDE THE INFORMATION WILL RESULT IN THE DENIAL OF A CERTIFICATE OF TITLE.

OWNER'S SIGNATURE

(PERSONALLY SIGNED IN INK BY OWNER OR AUTHORIZED REPRESENTATIVE)

53250

DRIVER'S LICENSE NUMBER

JOINT OWNER'S SIGNATURE

(PERSONALLY SIGNED IN INK BY OWNER OR AUTHORIZED REPRESENTATIVE)
(IF THERE IS NO JOINT OWNER LEAVE THIS LINE BLANK)

DRIVER'S LICENSE NUMBER

I HEREBY CERTIFY THAT THE ABOVE DESCRIBED VEHICLE HAS BEEN PHYSICALLY INSPECTED BY ME AND THAT THE V.I.N. AND DESCRIPTIVE DATA SHOWN ON THIS APPLICATION ARE CORRECT AND FURTHER, I IDENTIFIED THE PERSON SIGNING THE APPLICATION AND WITNESSED HIS SIGNATURE.

GRAY-DANIELS CHEVROLET

BY

AUTHORIZED SIGNATURE

DESIGNATED AGENT

DESIGNATED AGENT NO.

90174005700

DATE

04/20/2011

98067281

(6/93)

See reverse of copy 4 for important information

OWNER'S TEMPORARY PERMIT

APPLICATION NUMBER

EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

Lessee: **CITY OF CLINTON, MISSISSIPPI**

Commencement Date of Lease: **MAY 3, 2011**

Number and Frequency of Payments: **THIRTY-EIGHT (38) MONTHLY PAYMENTS**

Rental Payment Schedule

<u>Due Date</u>	<u>Payment Number</u>	<u>Total Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>
See Attached Schedule				

Issue Date 5/3/2011
Maturity Date 7/3/2011

Variable Rate Transactions
City of Clinton
Lease Purchase

SLA 30/360 MO 7/6
BroadRide

Period	Coupon Date	Int Code Day Cnts	Principal Payment	Effective Coupon Rate	Interest Payment	Credit Enhancements	Periodic Debt Service	Outstanding Balance
1	6/3/2011		434.87	2.92000	42.07		476.94	16,856.13
2	7/3/2011		435.92	2.92000	41.02		476.94	16,420.21
3	8/3/2011		436.98	2.92000	39.96		476.94	15,983.23
4	9/3/2011		438.05	2.92000	38.89		476.94	15,545.18
5	10/3/2011		439.11	2.92000	37.83		476.94	15,106.07
6	11/3/2011		440.18	2.92000	36.76		476.94	14,665.89
7	12/3/2011		441.25	2.92000	35.69		476.94	14,224.64
8	1/3/2012		442.33	2.92000	34.61		476.94	13,782.31
9	2/3/2012		443.40	2.92000	33.54		476.94	13,338.91
10	3/3/2012		444.48	2.92000	32.46		476.94	12,894.43
11	4/3/2012		445.56	2.92000	31.38		476.94	12,448.87
12	5/3/2012		446.65	2.92000	30.29		476.94	12,002.22
13	6/3/2012		447.73	2.92000	29.21		476.94	11,554.49
14	7/3/2012		448.82	2.92000	28.12		476.94	11,105.67
15	8/3/2012		449.92	2.92000	27.02		476.94	10,655.75
16	9/3/2012		451.01	2.92000	25.93		476.94	10,204.74
17	10/3/2012		452.11	2.92000	24.83		476.94	9,752.63
18	11/3/2012		453.21	2.92000	23.73		476.94	9,299.42
19	12/3/2012		454.31	2.92000	22.63		476.94	8,845.12
20	1/3/2013		455.42	2.92000	21.52		476.94	8,389.70
21	2/3/2013		456.53	2.92000	20.41		476.94	7,933.17
22	3/3/2013		457.64	2.92000	19.30		476.94	7,475.53
23	4/3/2013		458.75	2.92000	18.19		476.94	7,016.78
24	5/3/2013		459.87	2.92000	17.07		476.94	6,556.91
25	6/3/2013		460.98	2.92000	15.96		476.94	6,095.93
26	7/3/2013		462.11	2.92000	14.83		476.94	5,633.82
27	8/3/2013		463.23	2.92000	13.71		476.94	5,170.59
28	9/3/2013		464.36	2.92000	12.58		476.94	4,706.23
29	10/3/2013		465.49	2.92000	11.45		476.94	4,240.74
30	11/3/2013		466.62	2.92000	10.32		476.94	3,774.12
31	12/3/2013		467.76	2.92000	9.18		476.94	3,306.36
32	1/3/2014		468.89	2.92000	8.05		476.94	2,837.47
33	2/3/2014		470.04	2.92000	6.90		476.94	2,367.43
34	3/3/2014		471.18	2.92000	5.76		476.94	1,896.25
35	4/3/2014		472.33	2.92000	4.61		476.94	1,423.92
36	5/3/2014		473.48	2.92000	3.46		476.94	950.44
37	6/3/2014		474.63	2.92000	2.31		476.94	475.81
38	7/3/2014		475.81	2.92000	1.16		476.97	
			\$17,291.00		\$832.74	\$0.00	\$18,123.74	

True Interest Cost (TIC) 2.9200000
Arbitrage Yield Limit (AYL) 0.0000000
Average Life 1.6493557

Face Value of Bond Issue \$17,291.00
Accrued Interest (+) \$0.00
Original Issue Premium/Discount (+) \$0.00
Underwriter Discount (+) \$0.00
Lump-sum credit enhancements (-) \$0.00

Prepared by: Tristram Bark
Revisions: 4/27/2011 9:29 12.90 Rpt (1)

MUNIDB
CLINTS-2011-A

EXHIBIT C

SCHEDULE OF PURCHASE OPTION PRICE

After Payment Number

THIRTY-EIGHT (38) MONTHLY PAYMENTS

Purchase Option Price

\$1.00

EXHIBIT D

CERTIFICATE OF ACCEPTANCE

I, the undersigned, hereby certify that I am the duly qualified and acting **MAYOR** of the **CITY OF CLINTON, MISSISSIPPI** ("Lessee"); and, with respect to the Lease-Purchase Agreement dated **MAY 3, 2011** (the "Lease"), by and between Lessee and Trustmark National Bank ("Lessor"), that:

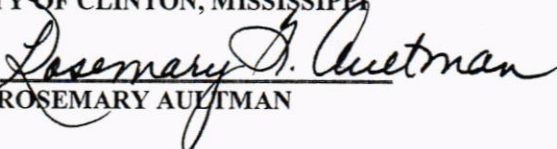
1. The Equipment described in the Lease has been delivered and installed in accordance with Lessee's Specifications and has been accepted by Lessee.
2. The Rental Payments provided for in Exhibit B to the Lease shall commence and be due and payable on **JUNE 3, 2011** and on the 3RD day of each **MONTH** thereafter, in the amounts shown on Exhibit B to the Lease.
3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current fiscal year.
4. Lessee has obtained from a reputable insurance company or self funded group qualified to do business in the State insurance with respect to all risks required to be covered thereby pursuant to Article VI of the Lease.
5. Lessee is exempt from all personal property taxes and is exempt from sales and/or use taxes with respect to the Equipment and the Rental Payments.
6. During the Term, the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

Operations related to public services in the **MUNICIPALITY**

7. There is no litigation, action, suit or proceeding pending before any court, administrative agency, arbitrator or governmental body, or to the best of Lessee's knowledge, threatened, that challenges (a) the authority of Lessee or its officers or employees to enter into the Lease, (b) the proper authorization, approval and execution of the Lease and other documents contemplated thereby, (c) the appropriation of moneys sufficient to make Rental Payments coming due under the Lease in Lessee's current fiscal year, or (d) the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

All capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Lease.

Dated: **MAY 3, 2011**

CITY OF CLINTON, MISSISSIPPI
By 
ROSEMARY AULTMAN

Its **MAYOR**

Kenneth R. Dreher, P.A.

ATTORNEY AT LAW

P.O. BOX 1121

CLINTON, MISSISSIPPI 39060

KENNETH R. DREHER
ATTORNEY AT LAW

TELEPHONE: (601) 925-5316

TELECOPIER: (601) 924-3812

JANINE BELL
PARALEGAL

Trustmark National Bank
Nolan Aikens, Vice President
1151 Pinehaven Boulevard
Clinton, MS 39056

Re: Lease-Purchase Agreement dated as of May 3, 2011, between Trustmark National Bank ("Lessor") and the City of Clinton, Mississippi ("Lessee") (One 2011 Chevrolet Impala)

Gentlemen:

I have acted as counsel to Lessee with respect to the Lease-Purchase Agreement described above (the "Lease") and various related matters, and, in this capacity, have reviewed a duplicate original or certified copy of the lease and the Exhibits attached thereto. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a political subdivision of the State of Mississippi (the "State"), duly organized, existing and operating under the constitution and laws of the State.
2. Lessee is authorized and has power under applicable law to enter into the Lease and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee, and is a valid and binding contract of Lessee, enforceable in accordance with its terms, except to the extent limited by applicable state and federal laws affecting the enforcement of creditors rights and remedies generally.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public bidding and all other laws, rules and regulations of the State.
5. The execution of the Lease and the appropriation of moneys to pay the Rental Payments coming due thereunder do not result in the violation of any

constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

6. There is no litigation, action, suit or proceeding pending before any court, administrative agency, arbitrator or governmental body or, to the best of my knowledge, threatened, that challenges the authority of Lessee or its officials, officers or employees to enter into the Lease; the proper authorization, approval and/or execution of the Lease, Exhibits thereto and other documents contemplated thereby; the appropriation of moneys to make Rental Payments under the Lease for the current fiscal year of Lessee; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

7. (a) The Lease constitutes an obligation of the Lessee which is a political subdivision of the State of Mississippi within the meaning and for the purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations and rulings thereunder.

(b) Subject to the condition set forth in the immediately succeeding sentence, (a) the interest portion of the Lease Payments due under the Lease is excluded from gross income for federal income tax purposes, and (b) the Lease is not a "specified private activity bond" and the interest portion of the Lease Payments due under the Lease is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Lessee comply with all requirements of the Code, compliance with which subsequent to the execution and delivery of the Lease is necessary in order that interest portion of the Lease payments due thereunder be, or continue to be, excluded from gross income for federal income tax purposes. The Lessee has covenanted to comply with each requirement in a Federal Tax Certificate of even date herewith. Failure to comply with certain of such requirements may cause the inclusion of the interest portion of the Lease Payments in gross income for federal income tax purposes to be retroactive to the date of issuance and

delivery of the Lease. We express no opinion regarding other federal tax consequences arising with respect to the Lease.

8. The interest portion of the Lease Payments due under the Lease is exempt from State of Mississippi income taxation.

9. The Lease is a qualified tax-exempt obligation as such term is used in Section 265(b)(3) of the Internal Revenue Code of 1986.

Dated: **May 18, 2011**

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Dreher", written over the typed name.

Kenneth R. Dreher, P.A.

City Attorney

City of Clinton, Mississippi

TRUSTMARK NATIONAL BANK
OPINION OF COUNSEL REVIEW FOR PUBLIC FINANCE LOANS
LEASE PURCHASE REQUESTS

Borrower: CITY OF CLINTON, MISSISSIPPI

Customer / Note #: 27562156-29121

Relationship Manager: NOLAN AIKENS Date: 5/3/2011

Note: Each Lease Purchase Agreement should be accompanied by an Opinion Letter from the issuing entities attorney. This checklist is meant to highlight the important acknowledgements of that letter and to ensure that Trustmark standards are being met. An answer of "NO" should be fully explained and documented in the comment section below.

YES NO

_____ 1. Is the Opinion letter addressed to Trustmark?

_____ 2. Is the Opinion letter signed by the entity's attorney of record?

Preface each statement below with the following phrase:
"Does the opinion letter state that:"

_____ 3. The Lessee is a political subdivision of the State of MS, operating under the constitution and laws of the State?

_____ 4. The Lessee is authorized and has the power under applicable law to enter into the Lease and to carry out its obligations in full?

_____ 5. The interest portion of the Lease payments due under the Lease is excluded from gross income for Federal income tax purposes?

_____ 6. The interest portion of the Lease payments due under the Lease is exempt from State of Mississippi income taxation?

_____ 7. The Lease is a qualified tax-exempt obligation as such term is used in Section 265(b)(3) of the Internal Revenue Code of 1986?

Comments:

I have reviewed the Opinion Letter attached and find it to be:

☐ Acceptable

☐ Not Acceptable

Loan Officer

Date

EXHIBIT F

**CITY OF CLINTON, MISSISSIPPI
LEASE-PURCHASE AGREEMENT
DATED AS OF 3rd day of May 2011
FEDERAL TAX CERTIFICATE**

Pursuant to the Code and regulations thereunder, I, the undersigned **ROSEMARY AULTMAN, MAYOR of the CITY OF CLINTON, MISSISSIPPI** (the "Lessee"), execute and deliver this certificate for the benefit of all persons interested in the exemption from federal income taxation of the interest to be paid on the Lease-Purchase Agreement (the "Lease") for the purchase of the equipment detailed in Exhibit A, attached hereto, between the Lessee and Trustmark National Bank, as lessor ("Lessor") dated **MAY 3, 2011** and the tax treatment thereof under the Code.

This certificate may be relied upon as the certificate of the Lessee and is executed for the purpose of establishing the facts and reasonable expectations of the Lessee regarding the Lease. It is based upon facts, circumstances, estimates and expectations of the Lessee on the later to occur of the date on which the Certificate of Acceptance was executed and delivered or funds were disbursed by the Lessor in payment for the Equipment described therein (the "Closing Date"), and, to the best of my knowledge and belief, the expectations of the Lessee set forth herein are reasonable. I certify as follows:

1. I am the duly chosen, qualified and acting **MAYOR** of the Lessee and as such I am charged with the responsibility for executing the Lease. I am familiar with the facts herein certified, and I am duly authorized to execute and deliver this certificate on behalf of the Lessee.
2. The Lessee has not been notified by the Internal Revenue Service of any listing or proposed listing of its disqualification as an issuer whose certification of its reasonable expectations as to future events on the date of issue of the Lease may not be relied upon by holders of obligations of the Lessee because it made a previous certification which contained a material misrepresentation.
3. The Lease is being issued for the purpose of acquiring the Equipment described in the Lease for use by the Lessee, a governmental use within the meaning of the Code, and is therefore not a private activity bond as such term is defined in the Code. The use of the Equipment by any person other than a governmental unit (including any activity carried on by a person other than a natural person) shall not exceed ten percent (10%) of the total use thereof.
4. The total cost of the Equipment (including the expenses of issuing the Lease) to be financed pursuant to the Lease is **\$17,291.00**. The balance, if any, of the Equipment costs will be provided by the Lessee from its own funds. The amount which the Lessee expects to receive pursuant to the Lease does not exceed the amount required for the aforementioned purpose.
5. The Lessor will acquire the Equipment from a vendor and will thereupon lease the Equipment to the Lessee pursuant to the Lease. The acquisition of the Equipment will not require any construction.

6. The Lessee reasonably expects that on the Closing Date the funds needed to acquire the Equipment will be disbursed by the Lessor pursuant to the Lease, and the Lease will thereupon constitute the obligation of the Lessee to repay said funds. The total amount of advances by the Lessor shall not exceed **\$17,291.00**.

7. The Lessee does not expect the Equipment to be sold or otherwise disposed of, in whole or in part, or for any transaction or series of transactions to occur prior to the termination of the Lease which would enable the Lessee to allow the Lease to remain in force longer than would otherwise be necessary.

8. The Lessee reasonably expects that there will be no investment of money received by Lessee pursuant to the Lease and consequently no investment or reinvestment income therefrom.

9. The Lessee reasonably expects that no separate fund of the Lessee will be used to pay the Principal and Interest Components of the Rental Payments on the Lease.

10. The Lessee is a governmental unit or owned by a government unit with general taxing powers; no obligation of the Lessee pursuant to the Lease (the "Obligation") is a private activity bond (as defined in the Code); and ninety-five percent (95%) or more of the net proceeds of the Obligations are to be used for local governmental activities of the Lessee.

11. (a) The Lessee covenants and certifies to and for the benefit of the owners of the Obligations that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Obligations, including amounts treated as proceeds, if any, which will cause the Obligations to be classified as arbitrage bonds within the meaning of Section 148 of the Code, as amended, supplemented or superseded, and any regulations as such may be applicable to the obligations, at the time of such action, investment or use.

(b) (i) The Lessee hereby determines and represents that no rebate relating to the Obligations will be required to be made under the Code. However, in the event it is subsequently determined for any reason that rebates should be made on the Obligations, then the Lessee shall take all actions necessary in order to comply with the requirements of Subsection 148(f) of the Code ("Subsection 148(f)") in order that none of the Obligations shall be treated as an arbitrage bonds pursuant to Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States in accordance with and within the time limits prescribed in, the making of any and all calculations, computations and filings required pursuant to, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Regulations, thereunder.

(ii) In the event it is determined that a rebate is required to the United States to avoid the Obligations being treated as arbitrage bonds under Subsection 148(f), then, in order to assure that there will be funds available to make any payments required pursuant to Subsection 148(f), the Lessee shall establish a separate and special account of the Lessee (to be designated the Rebate Account) into which the Lessee shall deposit: on or before the 30th day

following each bond year (as hereinafter defined), (A) an amount equal to the excess of all earnings on all non-purpose investments (within the meaning of Subsection 148(f)) over the amount which would have been earned if such non-purpose investments had been invested at a rate equal to the yield (computed in accordance with Subsection 148(f)) on the Obligations which amounts shall be credited to a fund designated the Excess Income Fund; and (B) all amounts earned on amounts in the Rebate Account, which amounts shall be credited to a fund designated as the Rebate Account Earning Fund. Amounts in the Rebate Account shall be used solely and only to make payments of rebates to the United States as required pursuant to Subsection 148(f), provided that, if at any time the amount in the Rebate Account exceeds the amount which, together with all amounts previously paid to the United States with respect to the Obligations pursuant to Subsection 148(f), will equal the amount which would be required to be rebated to the United States as a result of earnings on non-purpose investments received during the period beginning on the date of delivery of the Obligations and ending on the date of computation, the Lessee may, in its discretion, withdraw such excess from the Rebate Account and apply such monies to the rental payments due under the Lease or, if all payments due on the Obligations shall have been paid in full, and all rebates to the United States payable pursuant to Subsection 148(f) shall have been paid in full, the Lessee may use the amount withdrawn for any purpose permitted under the applicable laws of the State of Mississippi.

(iii) As used above, the term "Bond Year" shall mean the one-year period beginning on the date of delivery of the Obligations and each succeeding one-year period beginning on the day succeeding the immediately preceding Bond Year, or shall have such other meaning based on facts and circumstances relating to the Obligations as shall be specified in the Subsection 148(f) Regulations.

(c) The Lessee shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Obligations to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

(d) The Lessee shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Obligations in a manner or for a price which would cause any of the obligations to be or become an arbitrage bond, within the meaning of Section 148 of the Code and the regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price."

(e) In connection with the delivery of the Obligations, the Lessee has not and will not engage in any transaction or series of transactions that attempts to circumvent the provisions of section 148 of the Code and the Treasury Regulations issued thereunder or applicable thereto (a) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (b) increasing the burden on the market for exempt obligations, including, without limitation, the delivery of obligations in the nature of the Obligations that would not otherwise be sold, the incurring of more obligations in the nature of

the Obligations than would otherwise be necessary, or the incurring of such obligations sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

12. (a) The Obligation(s) are not private activity bonds within the meaning of Section 141 of the Code.

(b) No more than 10% of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person) carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(c) No more than 10% of any property with respect to which all or any part of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person), other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(d) None of the proceeds of the Obligation(s) will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to a governmental use (within the meaning of Section 141 of the Code) of such proceeds.

(e) The amount of proceeds of the Obligation(s) used with respect to any private business use which is related to a governmental use of such proceeds will not exceed the amount of proceeds of the Obligation(s) which are to be used for the governmental use to which such private business use relates.

(f) None of the proceeds of the Obligation(s) will be used to make or finance loans for persons other than governmental units.

(g) In no event will the payment of the principal of or the interest on more than 10% of the proceeds of the Obligation(s) be (under the terms of the Lease or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Lessee) in respect of property or borrowed money used or to be used for a private business use. No party (other than a governmental unit) which shall use all or any part of the property acquired pursuant to the Lease shall make any payments to the Lessee which are in any way related to any property acquired pursuant to the Lease or in any other way related thereto, if the aggregate of all such payments from all such private parties shall in any year equal or exceed 10% of the principal or interest portion of the Rental Payments under the Lease payable during such year, unless the Lessee shall have received an opinion of nationally recognized bond counsel to the effect that receipt of such payments will not adversely affect the exclusion of interest on the Lease from gross income for federal income tax purposes.

13. The Lessee covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Lessee, which (1) were or are to be sold at substantially the same time as the Obligation(s), (2) was or is to be sold at substantially the same interest rate as the Interest Component of the Rental Payments, (3) was or is to be sold pursuant to a common plan of marketing as the marketing plan for the Obligation(s), and (4) is payable directly or indirectly by the Lessee or from the source from which the Obligation(s) is payable. The Lessee covenants and certifies that there are no additional facts or circumstances which may further evidence that the Obligation(s) is part of any other issue of obligations.

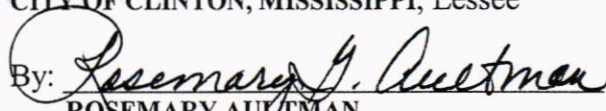
14. The Lessee covenants and certifies that no payment of principal of or interest on the Obligation(s) is or will be guaranteed (in whole or in part, directly or indirectly) by the United States, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States. The Lessee represents, warrants and covenants that none of the proceeds of the Obligation(s) will be: (a) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States, or (b) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation, other than: (i) the investment of the proceeds of the Obligations for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Obligations are being issued; (ii) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (iii) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (iv) investments in notes issued by the United States Treasury; (v) or other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

15. The Lessee covenants and certifies that, notwithstanding any provision of this Certificate or the rights of the Lessee hereunder, the Lessee will not take or permit to be taken on its behalf any action which would impair the exemption of interest on the Obligation(s) from federal income taxation, and it will take such reasonable action as may be necessary to continue such exemption, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exemption.

All representations, warranties and covenants contained in the Lease are true and correct as of the date of this Certificate.

Dated as of the **MAY 3, 2011.**

CITY OF CLINTON, MISSISSIPPI, Lessee

By: 
ROSEMARY AULTMAN

Its: MAYOR

ATTEST:

By:

Its:

(SEAL)

EXHIBIT G

CERTIFICATE OF INSURANCE

See the attached Certificate of Insurance

The City of Clinton is a self insurer of all its vehicles and equipment. As such, an insurance policy is not available.

Trustmark National Bank

P O Box 1182
Jackson, MS 39205-0291

May 3, 2011

City of Clinton, MS
Attn: Rosemary Aultman, Mayor
P.O. Box 156
Clinton, MS 39060

Dear Rosemary Aultman:

Please find enclosed the Lease-Purchase Agreement between Trustmark National Bank and the **City of Clinton, Mississippi** for the purchase of **One (1) New 2011 Chevrolet Impala LS, Patrol Car, VIN # 2G1WF5EK7B1268656**. Also enclosed is a 38 month amortization schedule and the 8038-GC Tax Form.

I am listing requirements, in addition to the appropriate signatures, necessary to ensure complete execution of the document.

1. Attach equipment invoice to Exhibit A (Equipment)
2. Complete all blanks and sign Exhibit D (Certificate of Acceptance)
3. Board attorney must sign and date Exhibit E (Opinion of Council)
4. Complete all blanks, sign and date Exhibit F (Federal Tax Certificate), as well as Tax Form 8038-GC
5. Attach Certificate of Insurance to Exhibit G (Certificate of Insurance)
6. Please include the City's most recent audited financial statement and current budget

Once your Board has approved, and the document has been fully executed, please mail back to my attention as addressed below:

Trustmark National Bank
Attn: Nolan Aikens/Vice President
1151 Pinehaven Blvd.
Clinton, MS 39056

Payment will be made as requested, once the agreement has been finalized and processed. In the meantime, if there are any questions please feel free to contact me at (601) 944-7969 or 1-800-844-2000 Ext. 7969.

Sincerely, 
Nolan Aikens
Vice President

(Rev. November 2000)

Department of the Treasury
Internal Revenue Service**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**

► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

Caution: If the issue price of the issue is \$100,000 or more, use Form 8038-G.

Part I Reporting Authority		Check box if Amended Return ☐	
1 Issuer's name City of Clinton, Mississippi		2 Issuer's employer identification number 64 : 6000260	
3 Number and street (or P.O. box if mail is not delivered to street address) P. O. Box 156		Room/suite	
4 City, town, or post office, state, and ZIP code Clinton, MS 39060		5 Report number 5	
6 Name and title of officer or legal representative whom the IRS may call for more information Rosemary Aultman, Mayor		7 Telephone number of officer or legal representative ()	
Part II Description of Obligations Check if reporting: a single issue ☒ or on a consolidated basis ☐			
8a Issue price of obligation(s) (see instructions)		8a \$17,291.00	
b Issue date (single issue) or calendar year (consolidated) (see instructions) ► 05/03/2011			
9 Amount of the reported obligation(s) on line 8a:			
a Used to refund prior issue(s)		9a	
b Representing a loan from the proceeds of another tax-exempt obligation (e.g., bond bank)		9b	
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box		☒	
11 If any obligation is in the form of a lease or installment sale, check this box		☒	
12 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box		☐	
Sign Here  Issuer's authorized representative Date 5-18-11		Rosemary Aultman, Mayor Type or print name and title	

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Form 8038-GC is used by the issuers of tax-exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150.

Who Must File

Issuers of tax-exempt governmental obligations with issue prices of less than \$100,000 must file Form 8038-GC.

Issuers of a tax-exempt governmental obligation with an issue price of \$100,000 or more must file **Form 8038-G**, Information Return for Tax-Exempt Governmental Obligations.**Filing a separate return.** Issuers have the option to file a separate Form 8038-GC for any tax-exempt governmental obligation with an issue price of less than \$100,000.

An issuer of a tax-exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to pay a penalty in lieu of arbitrage rebate (see the line 12 instructions).

Filing a consolidated return. For all tax-exempt governmental obligations with issue prices of less than \$100,000 that are not reported on a separate Form 8038-GC, an issuer must file a consolidated information return including all such issues issued within the calendar year.

Thus, an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC. However, a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate.

When To FileTo file a **separate return**, file Form 8038-GC on or before the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued.To file a **consolidated return**, file Form 8038-GC on or before February 15th of the calendar year following the year in which the issue is issued.**Late filing.** An issuer may be granted an extension of time to file Form 8038-GC under Section 3 of Rev. Proc. 88-10, 1988-1 C.B. 635, if it is determined that the failure to file on time is not due to willful neglect. Type or print at the top of the form, "This Statement is Submitted in Accordance with Rev. Proc. 88-10." Attach to the Form 8038-GC a letter briefly stating why the form was not submitted to the IRS on time. Also indicate whether the obligation in question is under examination by the IRS. Do not submit copies of any bond documents, leases, or installment sale documents. See **Where To File** below.**Where To File**

File Form 8038-GC, and any attachments, with the Internal Revenue Service Center, Ogden, UT 84201.

Other Forms That May Be RequiredFor rebating arbitrage (or paying a penalty in lieu of arbitrage rebate) to the Federal government, use **Form 8038-T**, Arbitrage Rebate and Penalty in Lieu of Arbitrage Rebate. For private activity bonds, use **Form 8038**, Information Return for Tax-Exempt Private Activity Bond Issues.**Rounding to Whole Dollars**

You may show the money items on this return as whole-dollar amounts. To do so, drop any amount less than 50 cents and increase any amount from 50 to 99 cents to the next higher dollar.

Definitions**Obligations.** This refers to a single tax-exempt governmental obligation if Form 8038-GC is used for separate reporting or to multiple tax-exempt governmental obligations if the form is used for consolidated reporting.**Tax-exempt obligation.** This is a bond, installment purchase agreement, or financial lease, on which the interest is excluded from income under section 103.**Tax-exempt governmental obligation.** A tax-exempt obligation that is not a private activity bond (see below) is a tax-exempt governmental obligation. This includes a bond issued by a qualified volunteer fire department under section 150(e).**Private activity bond.** This includes an obligation issued as part of an issue in which:

- More than 10% of the proceeds are to be used for any private activity business use, and

• More than 10% of the payment of principal or interest of the issue is **either** (a) secured by an interest in property to be used for a private business use (or payments for such property) **or** (b) to be derived from payments for property (or borrowed money) used for a private business use.

It also includes a bond, the proceeds of which (a) are to be used to make or finance loans (other than loans described in section 141(c)(2)) to persons other than governmental units and (b) exceeds the lesser of 5% of the proceeds or \$5 million.

Issue. Generally, obligations are treated as part of the same issue only if they are issued by the same issuer, on the same date, and as part of a single transaction, or a series of related transactions. However, obligations issued during the same calendar year (a) under a loan agreement under which amounts are to be advanced periodically (a "draw-down loan") or (b) with a term not exceeding 270 days, may be treated as part of the same issue if the obligations are equally and ratably secured under a single indenture or loan agreement and are issued under a common financing arrangement (e.g., under the same official statement periodically updated to reflect changing factual circumstances). Also, for obligations issued under a draw-down loan that meets the requirements of the preceding sentence, obligations issued during different calendar years may be treated as part of the same issue if all of the amounts to be advanced under the draw-down loan are reasonably expected to be advanced within 3 years of the date of issue of the first obligation. Likewise, obligations (other than private activity bonds) issued under a single agreement that is in the form of a lease or installment sale may be treated as part of the same issue if all of the property covered by that agreement is reasonably expected to be delivered within 3 years of the date of issue of the first obligation.

Arbitrage rebate. Generally, interest on a state or local bond is not tax exempt unless the issuer of the bond rebates to the United States arbitrage profits earned from investing proceeds of the bond in higher yielding nonpurpose investments. See section 148(f).

Construction issue. This is an issue of tax-exempt bonds that meets both of the following conditions:

1. At least 75% of the available construction proceeds of the issue are to be used for construction expenditures with respect to property to be owned by a governmental unit or a 501(c)(3) organization, and

2. All of the bonds that are part of the issue are qualified 501(c)(3) bonds, bonds that are not private activity bonds, or private activity bonds issued to finance property to be owned by a governmental unit or a 501(c)(3) organization.

In lieu of rebating any arbitrage that may be owed to the United States, the issuer of a construction issue may make an irrevocable election to pay a penalty. The penalty is equal to 1½% of the amount of construction proceeds that do not meet certain spending requirements. See section 148(f)(4)(C) and the Instructions for Form 8038-T.

Specific Instructions

In general, a Form 8038-GC must be completed on the basis of available information and reasonable expectations as of the date the issue is issued. However, forms that are filed on a consolidated basis may be completed on the basis of information readily available to the issuer at the close of the calendar year to which the form relates, supplemented by estimates made in good faith.

Part I—Reporting Authority

Amended return. If this is an amended Form 8038-GC, check the amended return box. Complete Part I and only those lines of Form 8038-GC that are being amended. Do not amend estimated amounts previously reported once the actual amounts are determined. (See the Part II instructions below.)

Line 1. The issuer's name is the name of the entity issuing the obligations, not the name of the entity receiving the benefit of the financing. In the case of a lease or installment sale, the issuer is the lessee or purchaser.

Line 2. An issuer that does not have an employer identification number (EIN) should apply for one on **Form SS-4**, Application for Employer Identification Number. This form may be obtained at Social Security Administration offices or by calling 1-800-TAX-FORM. If the EIN has not been received by the due date for Form 8038-GC, write "Applied for" in the space for the EIN.

Line 5. After the preprinted 5, enter two self-designated numbers. Number reports consecutively during any calendar year (e.g., 534, 535, etc.).

Part II—Description of Obligations

Line 8a. The issue price of obligations is generally determined under Regulations section 1.148-1(b). Thus, when issued for cash, the issue price is the price at which a substantial amount of the obligations are sold to the public. To determine the issue price of an obligation issued for property, see sections 1273 and 1274 and the related regulations.

Line 8b. For a single issue, enter the date of issue, generally the date on which the issuer physically exchanges the bonds that are part of the issue for the underwriter's (or other purchaser's) funds; for a lease or installment sale, enter the date interest starts to accrue. For issues reported on a consolidated basis, enter the calendar year during which the obligations were issued.

Lines 9a and 9b. For line 9a, enter the amount of the proceeds that will be used to pay principal, interest, or call premium on any other issue of bonds, including proceeds that will be used to fund an escrow account for this purpose. Both line 9a and 9b may apply to a particular obligation. For example, report on line 9a and 9b obligations used to refund prior issues which represent loans from the proceeds of another tax-exempt obligation.

Line 11. Check this box if property other than cash is exchanged for the obligation, e.g., acquiring a police car, a fire truck, or telephone equipment through a series of monthly payments. (This type of obligation is sometimes referred to as a "municipal lease.") Also check this box if real property is directly acquired in exchange for an obligation to make periodic payments of interest and principal. **Do not** check this box if the proceeds of the obligation are received in the form of cash, even if the term "lease" is used in the title of the issue.

Line 12. Check this box if the issue is a construction issue and an irrevocable election to pay a penalty in lieu of arbitrage rebate has been made on or before the date the bonds were issued. The penalty is payable with a Form 8038-T for each 6-month period after the date the bonds are issued. Do not make any payment of penalty in lieu of rebate with Form 8038-GC. See Rev. Proc. 92-22, 1992-1 C.B. 736, for rules regarding the "election document."

Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form varies depending on individual circumstances. The estimated average time is:

Learning about the law or the form	1 hr., 58 min.
Preparing the form	3 hr., 3 min.
Copying, assembling, and sending the form to the IRS	16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **Do not** send the form to this address. Instead, see **Where To File** on page 1.



Mississippi - UCC1 FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
B. SEND ACKNOWLEDGMENT TO: (Name and Address)
Trustmark National Bank P.O. Box 1182 Jackson, MS 39205

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME				
City of Clinton, Mississippi				
OR				
1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
1c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
P. O. Box 156		Clinton	MS	39060
			1d. COUNTY #	
			25	
ADD'L INFO RE ORGANIZATION DEBTOR	1e. TYPE OF ORGANIZATION	1f. JURISDICTION OF ORGANIZATION		1g. ORGANIZATIONAL ID #, if any
	Municipality	Mississippi		
				☒ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
2c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
			2d. COUNTY #	
ADD'L INFO RE ORGANIZATION DEBTOR	2e. TYPE OF ORGANIZATION	2f. JURISDICTION OF ORGANIZATION		2g. ORGANIZATIONAL ID #, if any
				☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME				
Trustmark National Bank				
OR				
3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
P. O. Box 291		Jackson	MS	39205
			COUNTRY	
			US	

4. This FINANCING STATEMENT covers the following collateral:

One (1) New 2011 Chevrolet Impala LS, Patrol Car, VIN # 2G1WF5EK7B1268656

5. ALTERNATIVE DESIGNATION [if applicable]:	☒ LESSEE/LESSOR	☐ CONSIGNEE/CONSIGNOR	☐ BAILEE/BAILOR	☐ SELLER/BUYER	☐ AG. LIEN	☐ NON-UCC FILING
6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable]	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [optional]		All Debtors ☐ Debtor 1 ☐ Debtor 2 ☐			

8. OPTIONAL FILER REFERENCE DATA

SECRETARY OF STATE OF MS

Mississippi - UCC1AD FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME City of Clinton, Mississippi		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME
		MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				11d. COUNTY #
ADD'L INFO RE ORGANIZATION DEBTOR		11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any
				☐ NONE

12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

- ☐ Debtor is a TRANSMITTING UTILITY
☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years
☐ Filed in connection with a Public-Finance Transaction — effective 30 years

M & I ACCOUNT FORM

ACCOUNT STYLING:

COST CENTER:

BRANCH:

SIC CODE:

ORGANIZATION TYPE:

City of Clinton

8017

512

92-1120

N (REVISED 9/96)

C = Corporation

P = Partnership

I = Individual Business or Proprietorship

S = Executive Officer of Trustmark

O = Officer of Trustmark

D = Director of Trustmark

E = Employee of Trustmark

B = Executive Officer/Director/Principle Shareholder-Another Bank

N = None of the Above

PURPOSE CODE:

B

B = Business

P = Personal

POLITICAL CODE:

1 User code 3

1 = Loans to Local Politicians (City & County)

2 = Loans to State Politicians

3 = Loans to Federal Politicians

4 = Immediate Families of Politicians

NEW LOAN INFORMATION FOR EXISTING ACCOUNT

COST CENTER:

8017

BRANCH:

512

BILLING INFORMATION:

✓ Coupon

Bill

COLLECTION RESPONSIBILITY CODE:

0 User Code 3

S = Loan reports to Special Assets

0 = Loan reports to Officer

AUTO CHARGE ACCT # _____

Trustmark National Bank

1151 Pinehaven Rd
Clinton, MS 39056
601-354-5948 Phone
601-944-7999 Fax



Trustmark

April 25, 2011

Rosemary Aultman, Mayor
City of Clinton
P.O. Box 156
Clinton, MS 39060

COMMITMENT LETTER

Dear Mayor Aultman:

I am pleased to advise you that Trustmark National Bank (hereinafter referred to as "Trustmark") has approved the following lease purchase financing for the city of Clinton, Mississippi (hereinafter referred to as "City"). The credit facility is subject to the following terms and conditions.

Amount: \$17,291.00 (Seventeen Thousand Two Hundred Ninety One and 00/100 Dollars) (hereinafter referred to as "loan").

Purpose: To purchase 1 new 2011 Chevy Impala Un-Marked patrol car for the City of Clinton Police Department.

Terms/Interest Rate: The lease purchase agreement will call for 36 monthly payments and accrue interest at 2.92%. The interest rate is based on this financing being bank qualified and tax exempt from federal and state tax. Assuming a first payment due date 30 days from origination, the monthly payment will be \$502.23 for a total cost of \$18,080.45. The monthly payment may vary slightly depending on length of time to the first payment date.

Collateral: The loan will be secured by a first lien, as provided for in the Lease Purchase Agreement, covering the one patrol car being purchased.

Fees: None.

Prepayment: This loan will not have a prepayment penalty.

Mayor Aultman
April 25, 2011
Page 2

This offer is subject to the following general terms and conditions.

1. AUTHORITY: The Lease and other documentation will be authorized and entered into in accordance with State law. Further, this transaction must be designated by a resolution or order of the Board of Alderman ("the Board") as a "qualified tax exempt obligation" pursuant to Section 265 of the Internal Revenue Code. An opinion of counsel regarding the legality of the transaction will be required.

2. DOCUMENTATION: Trustmark will provide the Lease-Purchase Agreement needed to undertake this transaction at no cost to the city. The City agrees to provide to Trustmark other customary documentation for this type transaction including, but not limited to, a completed IRS form 8038-GC and an opinion of counsel stating that the interest payments are exempt from all federal and state taxation. A completed IRS form and the opinion of counsel wording pertaining to tax exemption and city authority are available from Trustmark at no cost.

3. EXPIRATION: The aforementioned quote will expire at midnight on May 31, 2011 unless acceptance and funding occurs prior to then or said commitment is extended by mutual agreement between Trustmark and the City.

I hope that you find the terms and conditions set out in this Commitment acceptable. Please acknowledge your acceptance of this commitment by signing the Acceptance form accompanying this letter and returning it to me in the enclosed envelope. If you have any questions, please contact me by phone at (601) 944-7969.

Sincerely,

A handwritten signature in dark ink, appearing to read "Nolan Aikens", written in a cursive style.

Nolan Aikens
Vice President

ACCEPTANCE

The terms and conditions set out in the Commitment Letter dated April 25, 2011 issued by Trustmark National Bank covering the lease purchase financing described therein are accepted this the 26th day of April, 2011.

The City of Clinton, Mississippi

By: Rosemary S. Aultman Mayor
Title

**RESOLUTION AUTHORIZING AND APPROVING EXECUTION
OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH
TRUSTMARK NATIONAL BANK
FOR THE PURPOSE OF LEASE-PURCHASING CERTAIN EQUIPMENT**

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

1. The Lessee desires to enter into an Equipment Lease-Purchase Agreement with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Agreement") with Trustmark National Bank (the "Lessor") for the purpose of presently purchasing the equipment as described therein for the total cost specified therein (collectively the "Equipment") and to purchase such other equipment from time to time in the future upon appropriate approval;
2. The Lessee is authorized pursuant to Section 31-7-13(e) of the Mississippi Code of 1972, as amended, to acquire equipment and furniture by Lease-Purchase agreement and pay interest thereon by contract for a term not to exceed 10 years;
3. It is in the best interest of the residents served by Lessee that the Lessee acquire the Equipment pursuant to and in accordance with the terms of the Agreement; and
4. It is necessary for the Lessee to approve and authorize the Agreement.
5. The Lessee desires to designate the Agreement as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code").

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

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

Section 2. The Agreement is being issued in calendar year 2011.

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

Section 4. No portion of the rental payments identified in the Agreement (a) is secured, directly or indirectly, by property used or to be used in a trade or business carried on by a

person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property; or (b) is to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit.

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

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

Section 7. In calendar year 2011, Lessee has designated \$122,681.00 of tax-exempt obligations (including the Agreement) as qualified tax-exempt obligations. Including the Agreement herein so designated, Lessee will not designate more than \$10,000,000 of obligations issued during calendar year 2011 as qualified tax-exempt obligations.

Section 8. Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by lessee during calendar year 2011 will not exceed \$10,000,000.

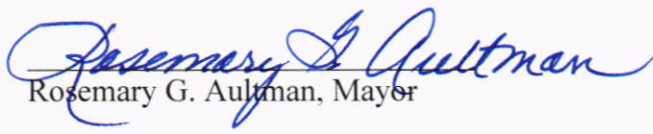
Section 9. For purposes of this resolution, the amount of tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by all entities deriving their issuing authority from lessee or by an entity subject to substantial control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

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

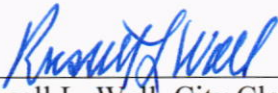
Following the reading of the foregoing resolution Alderman Cashion moved that the foregoing resolution be adopted; Alderman Morgan seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

Alderman Brabham	AYE
Alderman Hisaw	AYE
Alderman Greer	AYE
Alderman Barnett	AYE
Alderwoman Peace	AYE
Alderman Morgan	AYE
Alderman Cashion	AYE

The motion having received the affirmative vote of all members present, the Mayor declared the motion carried and the resolution adopted this the 17th day of May 2011.


Rosemary G. Aultman, Mayor

ATTEST:


Russell L. Wall, City Clerk



LEASE-PURCHASE AGREEMENT

Between

TRUSTMARK NATIONAL BANK

As Lessor

and

the

CITY OF CLINTON, MISSISSIPPI

As Lessee

Dated as of the 17th day of May 2011

THIS LEASE-PURCHASE AGREEMENT ("Lease") dated as of the **17th day of May 2011** between Trustmark National Bank, a national banking association organized and existing under the laws of the United States of America, as lessor ("Lessor") whose address is **1151 PINEHAVEN BLVD., CLINTON, MS, 39056 and CITY OF CLINTON, MISSISSIPPI**, as lessee ("Lessee"), whose address is **P.O. BOX 156, CLINTON, MS, 39060**.

RECITALS

Lessee is authorized by law to acquire items of property as are needed to carry out its governmental functions and to acquire such property by entering into lease-purchase agreements.

Lessee has determined that it is necessary for it to acquire the hereafter described Equipment.

Lessor is willing to acquire such items of Equipment and to lease them to Lessee pursuant to this Lease.

NOW THEREFORE, in the joint and mutual exercise of their powers and in consideration of the mutual covenants herein contained, the parties hereto agree as follows:

AGREEMENTS

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

Code: The Internal Revenue Code of 1986, as amended.

Contractor: The manufacturer(s) or vendor(s) from whom Lessee has ordered or will order or with whom Lessee has contracted or will contract for the manufacture, delivery, sale and/or installation of the Equipment.

Equipment: The property described in Exhibit A.

Fiscal Year: The twelve months fiscal period of Lessee which commences on **SEPTEMBER 30TH** in every year and ends on the following **SEPTEMBER 30TH**.

Governing Body: The **MAYOR and BOARD OF ALDERMEN** of the Lessee.

Interest Component: The portion of any Rental Payment designed as interest as shown in Exhibit B.

Net Proceeds: Any insurance proceeds or condemnation award paid with respect to the Equipment remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the Governing Body to appropriate money for any Fiscal Year of Lessee sufficient for the continued performance of this Lease by Lessee.

Payment Date: The date upon which any Rental Payment is due and payable as provided in Exhibit B.

Permitted Encumbrances: At any particular time: (i) liens on Lessee's interest in the Equipment for taxes and assessments not then delinquent, (ii) this Lease and any amendments hereto, (iii) Lessor's interest in the Equipment, and (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right which secures an amount not then due and owing for goods or services.

Principal Component: The portion of any Rental Payment designed as principal in Exhibit B.

Purchase Option Price: With respect to the Equipment, as of the Payment Dates specified in Exhibit C, the amount set forth opposite such date assuming all Rental Payments and other amounts due from Lessee to Lessor have been paid as and when due.

Rental Payment: The payment due from Lessee to Lessor on each Payment Date during the Term as shown in Exhibit B.

Specifications: The bid specifications and/or purchase order pursuant to which Lessee ordered the Equipment from a Contractor.

State: The State of Mississippi.

State and Federal Law or Laws: The Constitution and any laws of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any agency of the United States.

Term: Unless sooner terminated pursuant to the provisions of this Lease, the period of time commencing upon the date of the execution hereof and ending on **17th** day of **MAY 2014**.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, warrants and covenants as follows:

(a) Lessee is a **MUNICIPALITY**, which is a political subdivision of the State, duly organized and existing under the Constitution and laws of the State.

(b) Lessee is authorized under the Constitution and laws of the State to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.

(c) The official of Lessee executing this Lease has been duly authorized to execute and deliver this Lease under the terms and provisions of a resolution of Lessee's Governing Body, or by other appropriate official action.

(d) In authorizing and executing this Lease, Lessee has complied with all public bidding and other State and Federal laws applicable to this Lease and the acquisition of the Equipment by Lessee.

(e) The Equipment will be used only to carry out the governmental purposes and to perform essential governmental functions of Lessee.

(f) Upon delivery and installation of the Equipment, Lessee will provide Lessor with a completed and executed Certificate of Acceptance in the form attached hereto as Exhibit D. If Lessee fails to execute and deliver a Certificate of Acceptance within 5 business days after delivery and installation of the Equipment, Lessee shall be deemed to have done so.

(g) Upon the execution of this Lease, Lessee will provide to Lessor an opinion of its legal counsel in the form attached hereto as Exhibit E.

(h) Upon the execution of this Lease, unless waived by Lessor, Lessee will provide to Lessor a Federal Tax Certificate in the form attached hereto as Exhibit F.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:

(a) Lessor is a national banking association, duly organized, validly existing and in good standing under the laws of the United States of America.

(b) Lessee is duly authorized to transact business in the State; has the power to own and lease the Equipment; and has duly authorized the execution and delivery of this Lease.

ARTICLE III

LEASE OF EQUIPMENT

Section 3.1. Lease. Subject to and conditioned upon the delivery of the Equipment by Contractor, Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor, upon the terms and conditions set forth in this Lease.

Section 3.2. Possession and Enjoyment. Lessor hereby covenants to provide Lessee during the Term of this Lease with the quiet use and enjoyment of the Equipment.

Section 3.3. Lessor Access to Equipment. The Lessee agrees that Lessor shall have the right, at all reasonable times, to examine and inspect the Equipment and to maintain and care for same if Lessee fails to perform its obligations hereunder.

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term. This Lease shall be in effect for the Term.

Section 4.2. Termination Due To Non-Appropriation. In the sole event of Non-appropriation prior to an event of default, Lessee shall have the right to terminate this Lease, in whole, but not in part, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this Section and Sections 4.4 and 4.6. Lessee may effect such termination by giving Lessor written notice of termination and by paying to Lessor all Rental Payments which are due through the date of termination. Lessee shall endeavor to give Lessor not less than 60 days prior written notice of termination and shall notify Lessor as soon as reasonably possible of any anticipated termination. In the event of termination of this Lease as provided in this Section, Lessee shall deliver possession of the Equipment to Lessor in accordance with Section 12.3, and shall execute any documents reasonably requested by Lessor to release its interest in the Equipment.

Section 4.3. Intent to Continue Lease Term; Appropriations. Lessee presently intends to continue this Lease for its entire Term and to pay all Rental Payments specified in Exhibit B. The appropriate department representative of Lessee will include in its budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means at its disposal to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due for such Fiscal Year. Lessee reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose.

Section 4.4. Effect of Termination. Upon termination of this Lease as provided in Section 4.2, Lessee shall not be responsible for the payment of any Rental Payments coming due with respect to succeeding Fiscal Years, but if Lessee has not delivered possession of the Equipment to Lessor in accordance with Section 12.3 and released and conveyed its interest in

the Equipment to Lessor within ten days after the termination of this Lease, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments coming due for the period during which Lessee fails to take such actions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions.

Section 4.5. Nonsubstitution. If this Lease is terminated by Lessee in accordance with Section 4.2, Lessee agrees that for a period of one year after termination, to the extent allowed by law, it will not purchase or lease other property or contract with any third party to perform the same functions as, or functions taking the place of, those performed by the Equipment; provided, however, that this restriction shall not be applicable in the event the Equipment previously has been sold by Lessor and the amount received from such sale, less all costs of such sale, is sufficient to pay the Purchase Option Price applicable through the last Rental Payment.

Section 4.6. Termination of Lease Term. The Term of this Lease will terminate upon the occurrence of the first of the following events:

- (a) the termination thereof by Lessee in accordance with Section 4.2;
- (b) the exercise by Lessee of its option to purchase the Equipment pursuant to Article X;
- (c) a default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII; or
- (d) the expiration of the Term if Lessee has made all Rental Payments required Lessee hereunder as and when due and has otherwise performed its obligations hereunder.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. Lessee agrees to pay Rental Payments during the Term of the Lease in the amounts and on the dates specified in Exhibit B. All Rental Payments shall be paid to Lessor at its offices at the address specified in the first paragraph of this Lease or to such other person or entity and at such other places as Lessor may, from time to time, designate by written notice to Lessee. If any Rental Payment is not paid within 10 days of the due date thereof, to the extent allowed by law, Lessee shall also be liable to Lessor for a late payment charge equal to the greater of \$50.00 or four percent of the amount of the delinquency plus interest on the amount of the delinquency at the per annum rate of interest equal to the lesser of 11 percent or the maximum rate allowed by law.

Section 5.2. Current Expense. Lessor and Lessee agree that the intent of this Lease is that the obligations of Lessee under this Lease, including its obligation to pay the Rental Payments due with respect to the Equipment, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee for the benefit of Lessee of any taxes or other moneys in the annual budget of Lessee (or the proceeds or net proceeds of the Equipment) to the payment of any Rental Payment or other amount due hereunder.

Section 5.3. Principal and Interest Components. Each Rental Payment consists of a Principal Component and an Interest Component, all as more fully described in Exhibit B.

Section 5.4. Rental Payments to be Unconditional. Except as provided in Section 4.2, the obligation of Lessee to make Rental Payments and other payments required hereunder shall be absolute and unconditional. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all such payments required hereunder as and when due and shall not withhold any such payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments. Lessee's obligation to make any payment required hereunder shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.5. Tax Exemption. (a) Lessee acknowledges and agrees that the Rental Payments have been calculated by Lessor assuming that the Interest Component of each Rental Payment is exempt from federal income taxation. Lessee will do and refrain from doing all things necessary and appropriate to insure that the Interest Component of all Rental Payments is exempt from federal income taxation. In that regard, Lessee represents, covenants and warrants that:

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

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

(iii) No portion of the cost of the Equipment will be used (directly or indirectly) to make or finance loans to persons other than governmental units.

(iv) The Lessee will execute and file all information statements required by Section 149(e) of the Code and timely pay amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code.

(b) Lessee and Lessor acknowledge that Lessee has designated this Lease as a "qualified tax exempt obligation" for purposes of Section 265(b)(3) of the Code.

(c) In the event any governmental taxing authority successfully imposes an income tax on the Interest Component or imposes an income tax on the interest component under any similar lease of Lessor which, in the opinion of Lessor's counsel, will be determinative of the tax treatment under this Lease, then Lessee agrees to pay additional Rental Payments retroactively from the date of such imposition through the end of the Term during which such tax is imposed in an amount adequate to compensate Lessor, on an after-tax basis, for the tax imposition.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.1. Liability Insurance. Upon receipt of possession of the Equipment, Lessee shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation or other general use of the Equipment are covered by a liability insurance policy or program acceptable to Lessor. To the extent allowed by law, Lessee shall cause Lessor to be named as an additional insured in such policy. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 6.2. Property Insurance. Upon receipt of possession of the Equipment, Lessee shall have and assume the risk of loss with respect thereto. Lessee shall maintain in effect during the Term of the Lease, casualty insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that if a claim is made for a total loss of the Equipment such insurance proceeds will be sufficient to pay the applicable Purchase Option Price. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with a deductible not in excess of \$1,000.00. The Net Proceeds of insurance required by this Section shall be applied to the purchase of the Equipment as provided in Section 6.7.

Section 6.3. Worker's Compensation Insurance. If required by State law, Lessee shall carry Worker's Compensation Insurance covering all employees on, in, near or about the Equipment, and, upon request, shall furnish Lessor with certificates evidencing such coverage throughout the Term.

Section 6.4. Requirements For All Insurance. All insurance policies (or riders) required by this Article shall be maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving at least 30 days prior written notice to Lessor; and shall name Lessor as an additional insured under any liability insurance policy and as a loss payee under any casualty insurance policy. At Lessor's request, Lessee shall deposit with Lessor policies (and riders) evidencing any such insurance procured by it.

Section 6.5. General Indemnity. To the maximum extent allowed by law, Lessee assumes liability for, and shall indemnify, protect, save, and keep harmless Lessor and its agents, servants, successors, and assigns (each an indemnitee) from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, and expenses, including legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against any indemnitees, in any way relating to or arising out of this Lease or the enforcement hereof, or the manufacture, purchase, acceptance, rejection, ownership, possession, use, selection, delivery, lease, operation, condition, sale, return, or other disposition of the Equipment or any part thereof (including, without limitation, latent or other defects, whether or not discoverable by Lessee or any other person, any claim in tort for strict liability and any claim for patent, trademark, or copyright infringement); provided, however, that Lessee shall not be required to indemnify any indemnitee for loss or liability arising from acts or events that occur after the Equipment has been returned to Lessor in accordance with this Lease, or for loss or liability resulting solely from the willful misconduct or negligence of such Indemnitee. The provisions of this Section 6.5 shall survive the expiration or earlier termination of this Lease.

Section 6.6. Damage to or Destruction of Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall, as soon as practicable after such event, either: (i) replace the same at Lessee's sole cost and expense with replacement equipment acceptable to Lessor, whereupon such replacement shall be substituted in this Lease by appropriate documentation; or (ii) pay the applicable Purchase Option Price of the Equipment as set forth in Exhibit C. Lessee shall notify Lessor of which course of action it will take within 15 days after the loss, destruction or damage. If Lessee elects clause (i) but fails to perform its obligation thereunder within 30 days after the loss, destruction or damage, Lessor may, at its option, declare the applicable Purchase Option Price of the Equipment set forth in Exhibit C immediately due and payable, and Lessee shall be obligated to pay the same. The Net Proceeds of all insurance payable with respect to the Equipment shall be made available to Lessee to be used to discharge Lessee's obligation under this Section. On payment of the Purchase Option Price, this Lease shall terminate and Lessee thereupon shall become entitled to the Equipment AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that the Equipment shall not be subject to any lien or encumbrance created or arising through Lessor.

ARTICLE VII OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use or operate the Equipment improperly, carelessly, in violation of any State or Federal laws, or for a purpose or in a manner contrary to that contemplated by this Lease. Lessee shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall, at Lessee's expense, comply with all State and Federal Laws, that require changes or additions to be made to the Equipment.

Section 7.2. Maintenance of Equipment by Lessee. Lessee shall, at its expense, maintain, preserve and keep the Equipment in good repair, working order and condition.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, Lessee shall pay all taxes, special assessments, and other charges of any kind which are lawfully assessed or levied against or with respect to the Equipment, the Rental Payments or any part thereof with respect to the Term. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section. Lessee may, at its own expense and in its own name, in good faith contest any such taxes, assessments, and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its reasonable determination, the interest of Lessor in the Equipment could be materially endangered by nonpayment of any such items, in which event Lessee shall promptly pay such taxes, assessments and charges or provide Lessor with full security against any loss which may result from non-payment, in form reasonably satisfactory to Lessor.

Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of 11 percent per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE VIII

TITLE

Section 8.1. Title. During the Term, and so long as Lessee is not in default as provided in Article XII, legal title to the Equipment and any and all replacements, accessories, substitutions and modifications thereto shall be in Lessee. Upon termination of this Lease for any of the reasons specified in clauses (a) and (c) of Section 4.6., full and an encumbered legal title to the Equipment shall pass to Lessor, and Lessee shall have no further interest therein. In such event, Lessee shall execute and deliver to Lessor such documents as Lessor may request to

evidence the passage of legal title to the Equipment to Lessor and the termination of Lessee's interest in the Equipment. Upon termination of this Lease for either of the reasons specified in clauses (b) and (d) Section 4.6, Lessor's security or other interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's interest in the Equipment.

Section 8.2. Security Interest. Lessor shall have and retain and Lessee hereby grants to Lessor, a security interest under the Uniform Commercial Code in the Equipment, the proceeds thereof and all, replacements, accessories, substitutions and modifications thereto in order to secure the Rental Payments and the other obligations of Lessee hereunder. Lessee will join with Lessor in executing such financing statements or other documents and will perform such acts as Lessor may request to perfect such security interest in the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment and maintain such markings during the Term, so as clearly to disclose Lessor's interest in the Equipment.

Section 8.3. Liens. During the Term of this Lease, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary promptly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrances or claim.

Section 8.4. Installation of Lessee's Equipment. Lessee may, at any time and from time to time, in its sole discretion and at its own expense, install other accessories and components upon the Equipment, which items shall be identified by tags or other symbols affixed thereto as property of Lessee. All such items so identified shall remain the sole property of Lessee, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore any and all damage to the Equipment resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent Lessee from purchasing such accessories or components under a conditional sale or lease/purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Equipment.

Section 8.5. Modification of Equipment. Lessee shall, at its own expense, have the right to make repairs, replacements, substitutions and modifications to all or any part of the Equipment, except that Lessee shall not be permitted to remove or disable safety features or devices. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Equipment and be subject to the provisions of this Lease. Such work shall not in any way damage the Equipment or cause it to be used for purposes other than those authorized under the provisions of State and Federal law or those contemplated by this Lease. Any property for which a replacement or substitution is made pursuant to this Section may be disposed of by Lessee. Lessee will not

permit any mechanic's or other lien to be established or remain against the Equipment for labor or materials furnished in connection with any repair, replacement, substitution or modification of the Equipment; provided, that if any such lien is established and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may, in good faith, contest any lien filed or established against the Equipment, and, in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its opinion, by nonpayment of any such item the interest of Lessor in the Equipment could be materially endangered or the Equipment or any part thereof could be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form reasonably satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon the request and at the expense of Lessee.

Section 8.6. Personal Property. Lessor and Lessee agree that the Equipment is and shall at all times be and remain personal property notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

ARTICLE IX

EQUIPMENT WARRANTIES

Section 9.1. Selection of Equipment. Lessor and Lessee agree that this is a "finance lease" under Article 2A of the Uniform Commercial Code. The Equipment and the Contractor have been selected by Lessee, and Lessor has no responsibility in connection with the selection of the Equipment, its suitability for the use intended by Lessee, or any delay or failure to manufacture, deliver or install the Equipment for use by Lessee. Lessee authorizes Lessor to add the serial number of the Equipment to Exhibit A when available.

Section 9.2. Installation and Maintenance of Equipment. Lessor shall have no obligation to install, erect, test, inspect, service or maintain the Equipment under any circumstances, but such actions shall be the obligation of Lessee or the Contractor.

Section 9.3. Contractor's Warranties. To the extent it may legally do so, Lessor hereby assigns to Lessee during the Term, all of its interest in all Contractor's warranties and guarantees, express or implied, applicable to the Equipment, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.

Section 9.4. Patent Infringement. To the extent it may legally do so, Lessor hereby assigns to Lessee for and during the Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Equipment. Such assignment of patent indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by Equipment furnished pursuant to this Lease.

Section 9.5. Disclaimer of Warranties. THE EQUIPMENT IS DELIVERED AS IS, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT.

ARTICLE X

OPTION TO PURCHASE

Section 10.1. When Available. Lessee shall have the option to purchase Lessor's interest in the Equipment on any Payment Date for the then applicable Purchase Option Price set forth in Exhibit C, but only if Lessee is not in default under this Lease, and only in the manner provided in this Article.

Section 10.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than 30 days prior to the Payment Date on which the option is to be exercised and shall deposit with Lessor on the date of exercise an amount equal to all Rental Payments and any other amounts then due or past due and the applicable Purchase Option Price set forth in Exhibit C. The closing shall be on the Payment Date on which the option is to be exercised at the office of Lessor.

Section 10.3. Release of Lessor's Interest. Upon exercise of the Purchase Option by Lessee, Lessor shall convey or release to Lessee all of its right, title and interest in and to the Equipment by delivery to Lessee of such documents as Lessee reasonably deems necessary for this purpose.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by Lessor. All of Lessor's right, title and/or interest in and to the Equipment, this Lease, the Rental Payments and other amounts due hereunder may be assigned and reassigned, in whole or in part, to one or more assignees or subassignee at any time, without the consent of Lessee. Such assignment shall not be effective with respect to Lessee unless and until Lessor shall have filed a copy or written notice thereof with Lessee.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Lease nor Lessee's interest in the Equipment may be assigned transferred, mortgaged, or otherwise pledged by Lessee, in whole or in part, without the written consent of Lessor. However, the Equipment may be subleased by Lessee, in whole or in part, without the consent of Lessor, subject, however, to compliance with each of the following conditions:

(i) This Lease and the obligation of Lessee to make Rental Payments hereunder shall remain obligations of Lessee.

(ii) The sublessee shall assume the obligations of Lessee hereunder to the extent of the interest subleased in form and substance satisfactory to Lessor.

(iii) Lessee shall, within 30 days after the delivery thereof, furnish or cause to be furnished to Lessor a true and complete copy of such sublease.

(iv) No sublease by Lessee shall cause the Equipment to be used for a purpose other than a governmental function authorized under the provisions of the Constitution and laws of the State.

(v) No sublease shall cause the Interest Component of the Rental Payments to become subject to federal income taxation.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever used in this Lease with respect to the Equipment, any one or more of the following events:

(i) Failure by Lessee to pay any Rental Payment or other payment required to be paid under this Lease within five days of the time specified herein.

(ii) Failure by Lessee to provide the insurance coverages required herein.

(iii) Failure by Lessee to observe and perform any covenant, condition or agreement (other than as referred to in Clauses (i) or (ii) of this Section) on its part to be observed or performed, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(iv) The filing by Lessee of a voluntary petition in bankruptcy; the failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental or proprietary function; the adjudication of Lessee as a bankrupt; the granting by Lessee of an assignment for the benefit of creditors; the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the United States Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section 12.1 and Section 12.2 are subject to the following limitation: if by reason of force majeure Lessee is unable, in whole or in part, to carry out its obligations under this Lease with respect to the Equipment, other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Lessee unfavorable to Lessee.

Section 12.2. Remedies on Default. Whenever any event of default referred to in Section 12.1 hereof shall have occurred and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(i) With or without terminating this Lease, declare all Rental Payments due or to become due to be immediately due and payable, whereupon such Rental Payments shall be immediately due and payable.

(ii) With or without terminating this Lease, by written notice to the Lessee, request the Lessee to (and the Lessee agrees that it will), at the Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 12.3 hereof, or the Lessor, at its option, may (i) enter upon the premises where the Equipment is located and take immediate possession of and remove the same, (ii) require the Lessee to assemble the Equipment and make the Equipment available to the Lessor at a place to be designated by the Lessor which is reasonably convenient to both parties, and/or (iii) without removal, the Lessor may render the Equipment unuseable, and may sell or otherwise dispose of the Equipment on the Lessee's premises at a public or private sale with such sale to meet the requirements of a public or private sale with the application of the sale proceeds all as provided in Section 12.2(iii). Lessee hereby expressly waives any damages occasioned by such repossession or other disposal of Equipment as provided in this paragraph (ii). If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Purchase Option Price of the Equipment, as set forth in Exhibit C (less credit for Net Proceeds), to Lessor. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments as and when due. If the Lease has not been terminated, Lessor shall return the Equipment to Lessee at Lessee's expense when the event of default is cured.

(iii) If Lessor terminates this Lease and takes possession of the Equipment, Lessor shall use its best efforts promptly to sell the Equipment, as a unit or in parts, in a commercially reasonable manner at public or private sale in accordance with applicable laws. Lessor shall apply the proceeds of such sale to pay the following items in the following order: (a) all costs incurred in securing possession of the Equipment; (b) all expenses incurred in completing the sale; (c) the balance of any Rental Payments owed by Lessee through the date of termination, and (d) the Purchase Option Price.

(iv) If the proceeds of sale of the Equipment are not sufficient to pay all amounts specified in Section 12.2(iii)(a)-(c), Lessee shall be liable for the deficiency and Lessor may take any other remedy available at law or in equity to require Lessee to perform its obligations hereunder.

Notwithstanding any other provision of this Section 12.2, Lessor shall be entitled to damages with respect to the Lease in an amount equal to, but not in excess of, the economic equivalent intended to be provided by Lessee's payment of the Rental Payments and/or Purchase Option Price provided for herein, as and when due, plus any amount necessary to compensate Lessee for all costs, fees and expenses incurred as a result of Lessee's default.

Section 12.3. Return of Equipment. Upon the expiration or termination of this Lease prior to the payment of all Rental Payments or the Purchase Option Price, Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in section 7.2, in the following manner as may be specified by Lessor: (i) by delivering the Equipment, at Lessee's cost and expense, to such place within the State as Lessor shall specify; or (ii) by shipping the same, freight prepaid, to a place within the United States specified by Lessor. If Lessee fails to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge Lessee with the costs of such repossession or pursue any remedy described in Section 12.2.

Section 12.4. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power nor shall it be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor or its assignee.

Section 12.5. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys and/or incur other expenses for the collection of moneys or for the enforcement of any obligation or agreement of the defaulting party hereunder, the defaulting party agrees that it will, on demand, pay to the nondefaulting party the reasonable fees of such attorneys and/or such other reasonable expenses so incurred by the nondefaulting party.

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail, postage prepaid, to the addresses specified on the first page hereof; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2. Financial information. During the Term of the Lease, within 180 days of Lessee's fiscal year end Lessee will provide Lessor with current financial statements and such other financial information as may be requested by Lessor or its assignee.

Section 13.3 Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.4 Book Entry. The Lessor's interest in this Lease and any interest herein may be transferred only through a book entry system as prescribed by Section 149(a) of the Code, as the same may be amended from time to time. During the Term of this Lease, Lessee shall keep a complete and accurate record of all assignments and other transfers in form and substance necessary to comply with Section 149(a) of the Code. Upon assignment of Lessor's interest herein, Lessor will cause written notice of such assignment to be sent to Lessee and, upon receipt of such notice of assignment, Lessee shall: (i) acknowledge the same in writing to Lessor; and (ii) record the assignment in Lessee's "book entry system" as that term is defined in Section 149(a) of the Code. No further action will be required by Lessor or by Lessee to evidence the assignment. No such assignment shall become effective without recordation of the assignment in said "book entry system."

Section 13.5. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.6. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by Lessor and Lessee.

Section 13.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 13.8. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment, for indicating the commencement date and for carrying out the expressed intention of this Lease.

Section 13.9. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.10. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor and Lessee have caused this Lease to be executed by their duly authorized officers or officials as of the date first above written.

TRUSTMARK NATIONAL BANK, Lessor

By Nolan Aikens
NOLAN AIKENS

Its VICE PRESIDENT

CITY OF CLINTON, MISSISSIPPI, Lessee

By Rosemary G. Aultman
ROSEMARY AULTMAN

Its MAYOR

EXHIBIT A
EQUIPMENT

The Equipment which is the subject of the attached Lease-Purchase Agreement is as follows:

<u>Quantity</u>	<u>Description</u>	<u>VIN</u>
(5)	New 2011 Ford Crown Victoria, Police Cars	2FABP7BV8BX149613
		2FABP7BVXBX149614
		2FABP7BV1BX149615
		2FABP7BV3BX149616
		2FABP7BV6BX149612

(SEE ATTACHED INVOICE)

EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

Lessee: **CITY OF CLINTON, MISSISSIPPI**

Commencement Date of Lease: **MAY 17, 2011**

Number and Frequency of Payments: **THIRTY-SIX (36) MONTHLY PAYMENTS**

Rental Payment Schedule

<u>Due Date</u>	<u>Payment Number</u>	<u>Total Payment</u>	<u>Principal Component</u>	<u>Interest Component</u>
See Attached Schedule				

Date: 5/17/2011
 Period: 5/17/2011

Variable Rate Transactions
 City of Clinton, Mississippi
 Lease Purchase

SLA 30/360 MO 7/6
 Bond Rule

Period	Coupon Date	Int Calc Day Cnts	Principal Payment	Effective Coupon Rate	Interest Payment	Credit Enhancements	Periodic Debt Service	Outstanding Balance
1	6/17/2011		2,812.58	2.73000	239.76		3,052.34	102,577.42
2	7/17/2011		2,818.98	2.73000	233.36		3,052.34	99,758.45
3	8/17/2011		2,825.39	2.73000	226.95		3,052.34	96,933.06
4	9/17/2011		2,831.82	2.73000	220.52		3,052.34	94,101.24
5	10/17/2011		2,838.26	2.73000	214.08		3,052.34	91,262.99
6	11/17/2011		2,844.72	2.73000	207.62		3,052.34	88,418.27
7	12/17/2011		2,851.19	2.73000	201.15		3,052.34	85,567.08
8	1/17/2012		2,857.67	2.73000	194.67		3,052.34	82,709.42
9	2/17/2012		2,864.18	2.73000	188.16		3,052.34	79,845.24
10	3/17/2012		2,870.69	2.73000	181.65		3,052.34	76,974.55
11	4/17/2012		2,877.22	2.73000	175.12		3,052.34	74,097.33
12	5/17/2012		2,883.77	2.73000	168.57		3,052.34	71,213.57
13	6/17/2012		2,890.33	2.73000	162.01		3,052.34	68,323.24
14	7/17/2012		2,896.90	2.73000	155.44		3,052.34	65,426.34
15	8/17/2012		2,903.50	2.73000	148.84		3,052.34	62,522.85
16	9/17/2012		2,910.10	2.73000	142.24		3,052.34	59,612.75
17	10/17/2012		2,916.72	2.73000	135.62		3,052.34	56,696.03
18	11/17/2012		2,923.36	2.73000	128.98		3,052.34	53,772.68
19	12/17/2012		2,930.01	2.73000	122.33		3,052.34	50,842.67
20	1/17/2013		2,936.67	2.73000	115.67		3,052.34	47,906.00
21	2/17/2013		2,943.35	2.73000	108.99		3,052.34	44,962.66
22	3/17/2013		2,950.05	2.73000	102.29		3,052.34	42,012.61
23	4/17/2013		2,956.76	2.73000	95.58		3,052.34	39,055.85
24	5/17/2013		2,963.49	2.73000	88.85		3,052.34	36,092.37
25	6/17/2013		2,970.23	2.73000	82.11		3,052.34	33,122.14
26	7/17/2013		2,976.99	2.73000	75.35		3,052.34	30,145.15
27	8/17/2013		2,983.76	2.73000	68.58		3,052.34	27,161.39
28	9/17/2013		2,990.55	2.73000	61.79		3,052.34	24,170.85
29	10/17/2013		2,997.35	2.73000	54.99		3,052.34	21,173.50
30	11/17/2013		3,004.17	2.73000	48.17		3,052.34	18,169.33
31	12/17/2013		3,011.00	2.73000	41.34		3,052.34	15,158.34
32	1/17/2014		3,017.85	2.73000	34.49		3,052.34	12,140.49
33	2/17/2014		3,024.72	2.73000	27.62		3,052.34	9,115.77
34	3/17/2014		3,031.60	2.73000	20.74		3,052.34	6,084.18
35	4/17/2014		3,038.50	2.73000	13.84		3,052.34	3,045.68
36	5/17/2014		3,045.68	2.73000	6.93		3,052.61	
			\$105,390.00		\$4,494.40	\$0.00	\$109,884.40	

True Interest Cost (TIC) 2.7300000
 Arbitrage Yield Limit (AYL) 0.0000000
 Average Life 1.5621038

Face Value of Bond Issue \$105,390.00
 Accrued Interest (+) \$0.00
 Original Issue Premium/Discount (+) \$0.00
 Underwriter Discount (+) \$0.00
 Lump-sum credit enhancements (-) \$0.00

EXHIBIT C

SCHEDULE OF PURCHASE OPTION PRICE

After Payment Number

THIRTY-SIX (36) MONTHLY PAYMENTS

Purchase Option Price

\$1.00



Trustmark National Bank
1151 Pinehaven Road
Clinton, MS 39056
(601) 354-5948 PHONE
(601) 944-7999 FAX
www.trustmark.com

April 25, 2011

Rosemary Aultman, Mayor
City of Clinton
P.O. Box 156
Clinton, MS 39060

COMMITMENT LETTER

Dear Mayor Aultman:

I am pleased to advise you that Trustmark National Bank (hereinafter referred to as "Trustmark") has approved the following lease purchase financing for the city of Clinton, Mississippi (hereinafter referred to as "City"). The credit facility is subject to the following terms and conditions.

Amount: \$105,390.00 (One Hundred Five Thousand Three Hundred Ninety and 00/100 Dollars) (hereinafter referred to as "loan").

Purpose: To purchase 5 new 2011 Ford Crown Vic Marked patrol cars for the City of Clinton Police Department.

Terms/Interest Rate: The lease purchase agreement will call for 36 monthly payments and accrue interest at 2.73%. The interest rate is based on this financing being bank qualified and tax exempt from federal and state tax. Assuming a first payment due date 30 days from origination, the monthly payment will be \$3,052.34 for a total cost of \$109,884.40. The monthly payment may vary slightly depending on length of time to the first payment date.

Collateral: The loan will be secured by a first lien, as provided for in the Lease Purchase Agreement, covering the five patrol cars being purchased.

Fees: None.

Prepayment: This loan will not have a prepayment penalty.

People you trust.
Advice that works.

EXHIBIT D

CERTIFICATE OF ACCEPTANCE

I, the undersigned, hereby certify that I am the duly qualified and acting **MAYOR** of the **CITY OF CLINTON, MISSISSIPPI** ("Lessee"); and, with respect to the Lease-Purchase Agreement dated **MAY 17, 2011** (the "Lease"), by and between Lessee and Trustmark National Bank ("Lessor"), that:

1. The Equipment described in the Lease has been delivered and installed in accordance with Lessee's Specifications and has been accepted by Lessee.
2. The Rental Payments provided for in Exhibit B to the Lease shall commence and be due and payable on **JUNE 17, 2011** and on the 17TH day of each **MONTH** thereafter, in the amounts shown on Exhibit B to the Lease.
3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current fiscal year.
4. Lessee has obtained from a reputable insurance company or self funded group qualified to do business in the State insurance with respect to all risks required to be covered thereby pursuant to Article VI of the Lease.
5. Lessee is exempt from all personal property taxes and is exempt from sales and/or use taxes with respect to the Equipment and the Rental Payments.
6. During the Term, the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

Operations related to public services in the **MUNICIPALITY**

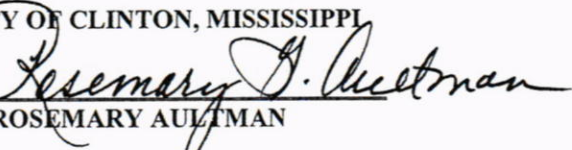
7. There is no litigation, action, suit or proceeding pending before any court, administrative agency, arbitrator or governmental body, or to the best of Lessee's knowledge, threatened, that challenges (a) the authority of Lessee or its officers or employees to enter into the Lease, (b) the proper authorization, approval and execution of the Lease and other documents contemplated thereby, (c) the appropriation of moneys sufficient to make Rental Payments coming due under the Lease in Lessee's current fiscal year, or (d) the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

All capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Lease.

Dated: **MAY 17, 2011**

CITY OF CLINTON, MISSISSIPPI

By


ROSEMARY AULTMAN

Its **MAYOR**

Kenneth R. Dreher, P.A.

ATTORNEY AT LAW
P.O. BOX 1121
CLINTON, MISSISSIPPI 39060

TELEPHONE: (601) 925-5316
TELECOPIER: (601) 924-3812

KENNETH R. DREHER
ATTORNEY AT LAW

JANINE BELL
PARALEGAL

Trustmark National Bank
Nolan Aikens, Vice President
1151 Pinehaven Boulevard
Clinton, MS 39056

Re: Lease-Purchase Agreement dated as of May 17, 2011, between Trustmark National Bank ("Lessor") and the City of Clinton, Mississippi ("Lessee") (Five 2011 Ford Crown Victorias)

Gentlemen:

I have acted as counsel to Lessee with respect to the Lease-Purchase Agreement described above (the "Lease") and various related matters, and, in this capacity, have reviewed a duplicate original or certified copy of the lease and the Exhibits attached thereto. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a political subdivision of the State of Mississippi (the "State"), duly organized, existing and operating under the constitution and laws of the State.
2. Lessee is authorized and has power under applicable law to enter into the Lease and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee, and is a valid and binding contract of Lessee, enforceable in accordance with its terms, except to the extent limited by applicable state and federal laws affecting the enforcement of creditors rights and remedies generally.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public bidding and all other laws, rules and regulations of the State.
5. The execution of the Lease and the appropriation of moneys to pay the Rental Payments coming due thereunder do not result in the violation of any

constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.

6. There is no litigation, action, suit or proceeding pending before any court, administrative agency, arbitrator or governmental body or, to the best of my knowledge, threatened, that challenges the authority of Lessee or its officials, officers or employees to enter into the Lease; the proper authorization, approval and/or execution of the Lease, Exhibits thereto and other documents contemplated thereby; the appropriation of moneys to make Rental Payments under the Lease for the current fiscal year of Lessee; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

7. (a) The Lease constitutes an obligation of the Lessee which is a political subdivision of the State of Mississippi within the meaning and for the purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations and rulings thereunder.

(b) Subject to the condition set forth in the immediately succeeding sentence, (a) the interest portion of the Lease Payments due under the Lease is excluded from gross income for federal income tax purposes, and (b) the Lease is not a "specified private activity bond" and the interest portion of the Lease Payments due under the Lease is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Lessee comply with all requirements of the Code, compliance with which subsequent to the execution and delivery of the Lease is necessary in order that interest portion of the Lease payments due thereunder be, or continue to be, excluded from gross income for federal income tax purposes. The Lessee has covenanted to comply with each requirement in a Federal Tax Certificate of even date herewith. Failure to comply with certain of such requirements may cause the inclusion of the interest portion of the Lease Payments in gross income for federal income tax purposes to be retroactive to the date of issuance and

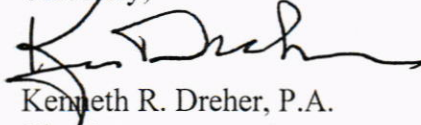
delivery of the Lease. We express no opinion regarding other federal tax consequences arising with respect to the Lease.

8. The interest portion of the Lease Payments due under the Lease is exempt from State of Mississippi income taxation.

9. The Lease is a qualified tax-exempt obligation as such term is used in Section 265(b)(3) of the Internal Revenue Code of 1986.

Dated: **May 18, 2011**

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Dreher", with a stylized flourish at the end.

Kenneth R. Dreher, P.A.

City Attorney

City of Clinton, Mississippi

EXHIBIT F

**CITY OF CLINTON, MISSISSIPPI
LEASE-PURCHASE AGREEMENT
DATED AS OF 17th day of May 2011
FEDERAL TAX CERTIFICATE**

Pursuant to the Code and regulations thereunder, I, the undersigned **ROSEMARY AULTMAN, MAYOR of the CITY OF CLINTON, MISSISSIPPI** (the "Lessee"), execute and deliver this certificate for the benefit of all persons interested in the exemption from federal income taxation of the interest to be paid on the Lease-Purchase Agreement (the "Lease") for the purchase of the equipment detailed in Exhibit A, attached hereto, between the Lessee and Trustmark National Bank, as lessor ("Lessor") dated **MAY 17, 2011** and the tax treatment thereof under the Code.

This certificate may be relied upon as the certificate of the Lessee and is executed for the purpose of establishing the facts and reasonable expectations of the Lessee regarding the Lease. It is based upon facts, circumstances, estimates and expectations of the Lessee on the later to occur of the date on which the Certificate of Acceptance was executed and delivered or funds were disbursed by the Lessor in payment for the Equipment described therein (the "Closing Date"), and, to the best of my knowledge and belief, the expectations of the Lessee set forth herein are reasonable. I certify as follows:

1. I am the duly chosen, qualified and acting **MAYOR** of the Lessee and as such I am charged with the responsibility for executing the Lease. I am familiar with the facts herein certified, and I am duly authorized to execute and deliver this certificate on behalf of the Lessee.
2. The Lessee has not been notified by the Internal Revenue Service of any listing or proposed listing of its disqualification as an issuer whose certification of its reasonable expectations as to future events on the date of issue of the Lease may not be relied upon by holders of obligations of the Lessee because it made a previous certification which contained a material misrepresentation.
3. The Lease is being issued for the purpose of acquiring the Equipment described in the Lease for use by the Lessee, a governmental use within the meaning of the Code, and is therefore not a private activity bond as such term is defined in the Code. The use of the Equipment by any person other than a governmental unit (including any activity carried on by a person other than a natural person) shall not exceed ten percent (10%) of the total use thereof.
4. The total cost of the Equipment (including the expenses of issuing the Lease) to be financed pursuant to the Lease is **\$105,390.00**. The balance, if any, of the Equipment costs will be provided by the Lessee from its own funds. The amount which the Lessee expects to receive pursuant to the Lease does not exceed the amount required for the aforementioned purpose.

5. The Lessor will acquire the Equipment from a vendor and will thereupon lease the Equipment to the Lessee pursuant to the Lease. The acquisition of the Equipment will not require any construction.

6. The Lessee reasonably expects that on the Closing Date the funds needed to acquire the Equipment will be disbursed by the Lessor pursuant to the Lease, and the Lease will thereupon constitute the obligation of the Lessee to repay said funds. The total amount of advances by the Lessor shall not exceed **\$105,390.00**.

7. The Lessee does not expect the Equipment to be sold or otherwise disposed of, in whole or in part, or for any transaction or series of transactions to occur prior to the termination of the Lease which would enable the Lessee to allow the Lease to remain in force longer than would otherwise be necessary.

8. The Lessee reasonably expects that there will be no investment of money received by Lessee pursuant to the Lease and consequently no investment or reinvestment income therefrom.

9. The Lessee reasonably expects that no separate fund of the Lessee will be used to pay the Principal and Interest Components of the Rental Payments on the Lease.

10. The Lessee is a governmental unit or owned by a government unit with general taxing powers; no obligation of the Lessee pursuant to the Lease (the "Obligation") is a private activity bond (as defined in the Code); and ninety-five percent (95%) or more of the net proceeds of the Obligations are to be used for local governmental activities of the Lessee.

11. (a) The Lessee covenants and certifies to and for the benefit of the owners of the Obligations that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Obligations, including amounts treated as proceeds, if any, which will cause the Obligations to be classified as arbitrage bonds within the meaning of Section 148 of the Code, as amended, supplemented or superseded, and any regulations as such may be applicable to the obligations, at the time of such action, investment or use.

(b) (i) The Lessee hereby determines and represents that no rebate relating to the Obligations will be required to be made under the Code. However, in the event it is subsequently determined for any reason that rebates should be made on the Obligations, then the Lessee shall take all actions necessary in order to comply with the requirements of Subsection 148(f) of the Code ("Subsection 148(f)") in order that none of the Obligations shall be treated as an arbitrage bonds pursuant to Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States in accordance with and within the time limits prescribed in, the making of any and all calculations, computations and filings required pursuant to, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Regulations, thereunder.

(ii) In the event it is determined that a rebate is required to the United States to avoid the Obligations being treated as arbitrage bonds under Subsection 148(f), then, in

order to assure that there will be funds available to make any payments required pursuant to Subsection 148(f), the Lessee shall establish a separate and special account of the Lessee (to be designated the Rebate Account) into which the Lessee shall deposit: on or before the 30th day following each bond year (as hereinafter defined), (A) an amount equal to the excess of all earnings on all non-purpose investments (within the meaning of Subsection 148(f)) over the amount which would have been earned if such non-purpose investments had been invested at a rate equal to the yield (computed in accordance with Subsection 148(f)) on the Obligations which amounts shall be credited to a fund designated the Excess Income Fund; and (B) all amounts earned on amounts in the Rebate Account, which amounts shall be credited to a fund designated as the Rebate Account Earning Fund. Amounts in the Rebate Account shall be used solely and only to make payments of rebates to the United States as required pursuant to Subsection 148(f), provided that, if at any time the amount in the Rebate Account exceeds the amount which, together with all amounts previously paid to the United States with respect to the Obligations pursuant to Subsection 148(f), will equal the amount which would be required to be rebated to the United States as a result of earnings on non-purpose investments received during the period beginning on the date of delivery of the Obligations and ending on the date of computation, the Lessee may, in its discretion, withdraw such excess from the Rebate Account and apply such monies to the rental payments due under the Lease or, if all payments due on the Obligations shall have been paid in full, and all rebates to the United States payable pursuant to Subsection 148(f) shall have been paid in full, the Lessee may use the amount withdrawn for any purpose permitted under the applicable laws of the State of Mississippi.

(iii) As used above, the term "Bond Year" shall mean the one-year period beginning on the date of delivery of the Obligations and each succeeding one-year period beginning on the day succeeding the immediately preceding Bond Year, or shall have such other meaning based on facts and circumstances relating to the Obligations as shall be specified in the Subsection 148(f) Regulations.

(c) The Lessee shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Obligations to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

(d) The Lessee shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Obligations in a manner or for a price which would cause any of the obligations to be or become an arbitrage bond, within the meaning of Section 148 of the Code and the regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price."

(e) In connection with the delivery of the Obligations, the Lessee has not and will not engage in any transaction or series of transactions that attempts to circumvent the provisions of section 148 of the Code and the Treasury Regulations issued thereunder or applicable thereto (a) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to

gain a material financial advantage, and (b) increasing the burden on the market for exempt obligations, including, without limitation, the delivery of obligations in the nature of the Obligations that would not otherwise be sold, the incurring of more obligations in the nature of the Obligations than would otherwise be necessary, or the incurring of such obligations sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

12. (a) The Obligation(s) are not private activity bonds within the meaning of Section 141 of the Code.

(b) No more than 10% of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person) carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(c) No more than 10% of any property with respect to which all or any part of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person), other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(d) None of the proceeds of the Obligation(s) will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to a governmental use (within the meaning of Section 141 of the Code) of such proceeds.

(e) The amount of proceeds of the Obligation(s) used with respect to any private business use which is related to a governmental use of such proceeds will not exceed the amount of proceeds of the Obligation(s) which are to be used for the governmental use to which such private business use relates.

(f) None of the proceeds of the Obligation(s) will be used to make or finance loans for persons other than governmental units.

(g) In no event will the payment of the principal of or the interest on more than 10% of the proceeds of the Obligation(s) be (under the terms of the Lease or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Lessee) in respect of property or borrowed money used or to be used for a private business use. No party (other than a governmental unit) which shall use all or any part of the property acquired pursuant to the Lease shall make any payments to the Lessee which are in any way related to any property acquired pursuant to the Lease or in any other way related thereto, if the aggregate of all such payments from all such private parties shall in any year equal or exceed 10% of the principal or interest portion of the Rental Payments under the Lease payable during such year, unless the Lessee shall have received an opinion of nationally recognized bond counsel to the effect that receipt of such

payments will not adversely affect the exclusion of interest on the Lease from gross income for federal income tax purposes.

13. The Lessee covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Lessee, which (1) were or are to be sold at substantially the same time as the Obligation(s), (2) was or is to be sold at substantially the same interest rate as the Interest Component of the Rental Payments, (3) was or is to be sold pursuant to a common plan of marketing as the marketing plan for the Obligation(s), and (4) is payable directly or indirectly by the Lessee or from the source from which the Obligation(s) is payable. The Lessee covenants and certifies that there are no additional facts or circumstances which may further evidence that the Obligation(s) is part of any other issue of obligations.

14. The Lessee covenants and certifies that no payment of principal of or interest on the Obligation(s) is or will be guaranteed (in whole or in part, directly or indirectly) by the United States, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States. The Lessee represents, warrants and covenants that none of the proceeds of the Obligation(s) will be: (a) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States, or (b) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation, other than: (i) the investment of the proceeds of the Obligations for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Obligations are being issued; (ii) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (iii) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (iv) investments in notes issued by the United States Treasury; (v) or other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

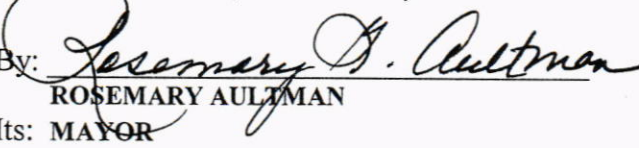
15. The Lessee covenants and certifies that, notwithstanding any provision of this Certificate or the rights of the Lessee hereunder, the Lessee will not take or permit to be taken on its behalf any action which would impair the exemption of interest on the Obligation(s) from federal income taxation, and it will take such reasonable action as may be necessary to continue such exemption, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exemption.

All representations, warranties and covenants contained in the Lease are true and correct as of the date of this Certificate.

Dated as of the **MAY 17, 2011**

CITY OF CLINTON, MISSISSIPPI, Lessee

By:


ROSEMARY AULTMAN

Its: MAYOR

ATTEST:

By:

Its:

(SEAL)

EXHIBIT G

CERTIFICATE OF INSURANCE

See the attached Certificate of Insurance

The City of Clinton is a self insurer of all its vehicles and equipment. As such, an insurance policy is not available.

Trustmark National Bank

P O Box 1182
Jackson, MS 39205-0291

May 17, 2011

City of Clinton, Mississippi
Attn: Rosemary Aultman, Mayor
P.O. Box 156
Clinton, MS 39060

Dear Rosemary Aultman:

Please find enclosed the Lease-Purchase Agreement between Trustmark National Bank and the **City of Clinton, Mississippi** for the purchase of **Five (5) New 2011 Ford Crown Victoria, Police Cars, VIN #'s 2FABP7BV8BX149613; 2FABP7BVXBX149614; 2FABP7BV1BX149615; 2FABP7BV3BX149616 and 2FABP7BV6BX149612.** Also enclosed is a 36 month amortization schedule and the 8038-G Tax Form.

I am listing requirements, in addition to the appropriate signatures, necessary to ensure complete execution of the document.

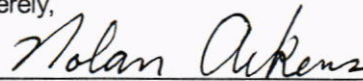
1. Attach equipment invoice to Exhibit A (Equipment)
2. Complete all blanks and sign Exhibit D (Certificate of Acceptance)
3. Board attorney must sign and date Exhibit E (Opinion of Council)
4. Complete all blanks, sign and date Exhibit F (Federal Tax Certificate), as well as Tax Form 8038-G
5. Attach Certificate of Insurance to Exhibit G (Certificate of Insurance)
6. Please include the City's most recent audited financial statement and current budget

Once your Board has approved, and the document has been fully executed, please mail back to my attention as addressed below:

Trustmark National Bank
Attn: Nolan Aikens/Vice President
1151 Pinehaven Blvd.
Clinton, MS 39056

Payment will be made as requested, once the agreement has been finalized and processed. In the meantime, if there are any questions please feel free to contact me at (601) 944-7969 or 1-800-844-2000 Ext. 7969.

Sincerely,


Nolan Aikens, Vice President

Form **8038-G**

(Rev. November 2000)

Department of the Treasury
Internal Revenue Service**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here ☐	
1 Issuer's name City of Clinton, Mississippi	2 Issuer's employer identification number 64 : 6000260		
3 Number and street (or P.O. box if mail is not delivered to street address) P.O. BOX 156	Room/suite	4 Report number 3	
5 City, town, or post office, state, and ZIP code Clinton, MS 39060	6 Date of issue 05/17/2011		
7 Name of issue	8 CUSIP number		
9 Name and title of officer or legal representative whom the IRS may call for more information Rosemary Aultman, Mayor		10 Telephone number of officer or legal representative ()	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule	
11 ☐ Education	11
12 ☐ Health and hospital	12
13 ☐ Transportation	13
14 ☐ Public safety	14
15 ☐ Environment (including sewage bonds)	15
16 ☐ Housing	16
17 ☐ Utilities	17
18 ☒ Other. Describe ► FIVE (5) 2011 CROWN VICTORIA POLICE CARS	18 \$105,390.00
19 If obligations are TANs or RANs, check box ☐ If obligations are BANs, check box ☐	
20 If obligations are in the form of a lease or installment sale, check box ☒	

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21 05/17/2014	\$ 105,390.00	\$	years	2.73 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23 \$105,390.00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to currently refund prior issues	27
28 Proceeds used to advance refund prior issues	28
29 Total (add lines 24 through 28)	29 \$105,390.00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called	
34 Enter the date(s) the refunded bonds were issued	

Part VI Miscellaneous	
35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a
b Enter the final maturity date of the guaranteed investment contract	
37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ☐ and enter the name of the issuer	
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ☒	
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ☐	
40 If the issuer has identified a hedge, check box ☐	

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign
Here

Signature of issuer's authorized representative

Date

Rosemary Aultman, Mayor

Type or print name and title

Mississippi - UCC1 FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Trustmark National Bank
P.O. Box 1182
Jackson, MS 39205

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME

City of Clinton, Mississippi

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

P. O. Box 156

CITY

Clinton

STATE

MS

POSTAL CODE

39060

1d. COUNTY #

25

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION
Municipality

1f. JURISDICTION OF ORGANIZATION
Mississippi

1g. ORGANIZATIONAL ID #, if any

☒ NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

MS

POSTAL CODE

39205

2d. COUNTY #

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME

Trustmark National Bank

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

P. O. Box 291

CITY

Jackson

STATE

MS

POSTAL CODE

39205

COUNTRY

US

4. This FINANCING STATEMENT covers the following collateral:

Five (5) New 2011 Ford Crown Victoria, Police Cars, VIN #'s 2FABP7BV8BX149613; 2FABP7BVXBX149614;
2FABP7BV1BX149615; 2FABP7BV3BX149616 and 2FABP7BV6BX149612.

5. ALTERNATIVE DESIGNATION [if applicable]: ☒ LESSEE/LESSOR ☐ CONSIGNEE/CONSIGNOR ☐ BAILEE/BAILOR ☐ SELLER/BUYER ☐ AG. LIEN ☐ NON-UCC FILING

6. ☐ This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum ☐ if applicable. 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) ☐ [ADDITIONAL FEE] ☐ [optional]. All Debtors ☐ Debtor 1 ☐ Debtor 2

8. OPTIONAL FILER REFERENCE DATA

SECRETARY OF STATE OF MS

Mississippi - UCC1AD FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME City of Clinton, Mississippi		
OR	9b. INDIVIDUAL'S LAST NAME	FIRST NAME MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME			
OR	11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
11c. MAILING ADDRESS		CITY	STATE POSTAL CODE 11d. COUNTY #

ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	☐ NONE
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12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME			
OR	12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME SUFFIX
12c. MAILING ADDRESS		CITY	STATE POSTAL CODE COUNTRY

13. This FINANCING STATEMENT covers ☐ timber to be cut or ☐ as-extracted collateral, or is filed as a ☐ fixture filing.

14. Description of real estate:

16. Additional collateral description:

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a ☐ Trust or ☐ Trustee acting with respect to property held in trust or ☐ Decedent's Estate

18. Check only if applicable and check only one box.

- ☐ Debtor is a TRANSMITTING UTILITY
☐ Filed in connection with a Manufactured-Home Transaction — effective 30 years
☐ Filed in connection with a Public-Finance Transaction — effective 30 years

Mayor Aultman
April 25, 2011
Page 2

This offer is subject to the following general terms and conditions.

1. AUTHORITY: The Lease and other documentation will be authorized and entered into in accordance with State law. Further, this transaction must be designated by a resolution or order of the Board of Alderman ("the Board") as a "qualified tax exempt obligation" pursuant to Section 265 of the Internal Revenue Code. An opinion of counsel regarding the legality of the transaction will be required.

2. DOCUMENTATION: Trustmark will provide the Lease-Purchase Agreement needed to undertake this transaction at no cost to the city. The City agrees to provide to Trustmark other customary documentation for this type transaction including, but not limited to, a completed IRS form 8038-G and an opinion of counsel stating that the interest payments are exempt from all federal and state taxation. A completed IRS form and the opinion of counsel wording pertaining to tax exemption and city authority are available from Trustmark at no cost.

3. EXPIRATION: The aforementioned quote will expire at midnight on May 31, 2011 unless acceptance and funding occurs prior to then or said commitment is extended by mutual agreement between Trustmark and the City.

I hope that you find the terms and conditions set out in this Commitment acceptable. Please acknowledge your acceptance of this commitment by signing the Acceptance form accompanying this letter and returning it to me in the enclosed envelope. If you have any questions, please contact me by phone at (601) 944-7969.

Sincerely,



Nolan Aikens
Vice President

ACCEPTANCE

The terms and conditions set out in the Commitment Letter dated April 25, 2011 issued by Trustmark National Bank covering the lease purchase financing described therein are accepted this the 26th day of April, 2011.

The City of Clinton, Mississippi

By: Rosemary S. Auetman Mayor
Title

2011 MAY 27 AM 8:45

2011 MAY 19 AM 8:50

COPY

**FINAL
DRINKING WATER SYSTEMS IMPROVEMENTS REVOLVING LOAN FUND
LOAN AGREEMENT**

THIS AGREEMENT is executed by the STATE OF MISSISSIPPI LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS IMPROVEMENTS BOARD (Board) acting through the MISSISSIPPI STATE DEPARTMENT OF HEALTH (Department) and the CITY OF CLINTON, existing as an eligible loan recipient (Loan Recipient) under the laws of the State of Mississippi.

WITNESSETH:

WHEREAS, pursuant to Sections 41-3-16, et seq. Mississippi Code Annotated (1972), the Department is authorized to make loans to certain eligible Loan Recipients to finance the construction of eligible water systems improvements; and

WHEREAS, the Loan Recipient has made application for the financing of the Project, and the Department has determined that such Project meets all requirements for a loan;

NOW, THEREFORE, in consideration of the Department loaning money to the Loan Recipient, in the principal amount and the covenants hereinafter set forth, it is agreed as follows:

ARTICLE I - DEFINITIONS

1.01. WORDS AND TERMS. Words and terms used herein shall have the meanings set forth in the Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Regulations and as set forth below:

- (1) "Agreement" or "Loan Agreement" shall mean this Agreement.
- (2) "ARRA Subsidy" shall mean that component of the loan principal which is provided by federal capitalization grant funds made available through the American Recovery and Reinvestment Act of 2009 (ARRA), and which in accordance with the ARRA, is being forgiven as part of this loan agreement and thus does not require repayment.
- (3) "Loan" shall mean the amount of money to be loaned pursuant to this Agreement
- (4) "Loan Repayment" shall mean the monthly payment due from the Loan Recipient to the Department, comprised of principal and interest.
- (5) "Project" shall mean facilities funded under this Agreement as described in Article IX.

- (6) "Revenues" shall mean all income or earnings received by the Loan Recipient from the ownership or operation of its facilities, including investment income, all as calculated in accordance with generally accepted accounting principles as prescribed by the State Auditor. Revenues shall not include proceeds from the sale or other disposition of any part of the facilities, condemnation awards or proceeds of insurance, except use and occupancy or business interruption insurance, received with respect to the facilities.
- (7) "DWSIRLF Regulations" shall mean the Drinking Water Systems Improvements Revolving Loan Fund Program Regulations, in effect as of the date of the original loan award which is September 30, 2009.

1.02. CORRELATIVE WORDS. Words of the masculine gender shall be understood to include correlative words of the feminine gender. Unless the context shall otherwise indicate, the singular shall include the plural and the word "person" shall include corporations and associations, including public bodies, as well as natural persons.

ARTICLE II - WARRANTIES, REPRESENTATIONS AND COVENANTS

2.01. WARRANTIES, REPRESENTATIONS AND COVENANTS. The Loan Recipient warrants, represents and covenants that:

- (1) The Loan Recipient has full power and authority to enter into this Agreement and to comply with the provisions hereof.
- (2) The Loan Recipient is not subject to bankruptcy, insolvency, or reorganization and is not in default of, or otherwise subject to, any agreement or any law, administrative regulation, judgment, decree, note, resolution, charter or ordinance which would restrain or enjoin it from entering into, or complying with, this Agreement.
- (3) There is no material action, suit, proceeding, inquiry or investigation, at law or in equity, before any court or public body pending which seeks to restrain or enjoin the Loan Recipient from entering into or complying with this Agreement.
- (4) All permits and approvals required as of the date of this Agreement have been obtained for construction, operation and maintenance of the Project. The Loan Recipient knows of no reason why any future required permits or approvals for the Project cannot be obtained within the time frames required by this Agreement.
- (5) The Loan Recipient shall undertake the Project on its own responsibility, and, to the extent permitted by law, shall release and hold harmless the State, its officers, members, and employees from any claim arising in connection with the planning, design, construction, operation, maintenance, replacement, performance, or fiscal integrity of the Project. The Loan Recipient is responsible for the proper planning, design, construction, operation, maintenance, replacement, performance, and fiscal integrity of the Project. The Department's approval of

any document does not relieve the Loan Recipient or any others of any liabilities or responsibilities. Such approval of any document is for loan eligibility or allowability purposes only and does not establish or convey any such liability or responsibility.

- (6) The Loan Recipient has, or will have prior to advertisement of the Project for bids, a procurement protest procedure in accordance with Appendix L of the DWSIRLF Regulations for dealing with third parties and shall independently resolve any bid protest or other dispute between the Loan Recipient and a third party.
- (7) The financial information delivered by the Loan Recipient to the Department is current and correct. The Loan Recipient shall provide the Department with additional financial information via the audits required by Section 49-17-87 of the Mississippi Code and other notification of changing conditions relating to the Loan Recipient's ability to repay this Loan.
- (8) The Loan Recipient covenants that this Agreement is entered into for the purpose of borrowing moneys to plan, design, acquire property interests, repair and/or construct, and place in operation the Project which will in all events serve a public purpose. The Loan Recipient covenants that it will, under all conditions, complete and place the Project in operation to the end that the public need will be met.

2.02. COMPLIANCE WITH STATE STATUTES AND REGULATIONS. The Loan Recipient agrees to comply with all applicable state statutes and regulations including, but not limited to, the DWSIRLF Regulations. The DWSIRLF Regulations are attached hereto and made a part hereof for all purposes.

2.03. PROHIBITION AGAINST ENCUMBRANCES. The Loan Recipient is prohibited from selling, leasing or disposing of any part of the Project which would materially reduce its operational integrity unless the written consent of the Department is first secured. The Loan Recipient is also prohibited from selling, leasing or transferring ownership of all or a substantial portion of the Project to another entity unless the written consent of the Department is first secured.

2.04. LOCAL FUNDS. In addition to the proceeds of this Loan, the Loan Recipient covenants that it has obtained, or will obtain within 90 days after approval of the plans, specifications, and contract documents, sufficient moneys from other sources, if required to complete and place the Project in operation on, or prior to, the completion date specified in this Agreement. Failure of the Department to award additional loan funds shall not constitute a waiver of the Loan Recipient's covenants to complete and place the Project in operation.

ARTICLE III - OPERATION AND FISCAL INTEGRITY OF THE SYSTEM

3.01. OPERATION AND MAINTENANCE OF THE PROJECT. The Loan Recipient shall operate and maintain the Project in a proper, sound and economical manner, shall promptly make all necessary repairs and replacements.

3.02. ADDITIONS AND MODIFICATIONS. The Loan Recipient may make any additions, modifications or improvements to the Project which it deems desirable and which do not materially reduce the operational integrity of any part of the Project. All such additions, modifications, or improvements must be approved by the Department and, if approved, shall become part of the Project.

3.03. COLLECTION OF REVENUES. The Loan Recipient shall use its best efforts to collect all rates, fees and other charges due to it. The Loan Recipient shall establish liens on premises served by the Project for the amount of all delinquent rates, fees and other charges where such action is permitted by law. The Loan Recipient shall, to the full extent permitted by law, cause to discontinue the services of the Project and use its best efforts to shut off water service furnished to persons who are delinquent beyond customary grace periods in the payment of Project rates, fees and other charges. The Loan Recipient shall comply and require compliance with its approved User Charge System and Ordinance during the life of the Project.

3.04. LOAN RECIPIENT ACCOUNTING AND AUDITING PROCEDURES. The Loan Recipient shall maintain Project accounts in accordance with generally accepted accounting principles as prescribed by the State Auditor.

ARTICLE IV - DEFAULTS AND REMEDIES

4.01. EVENTS OF DEFAULT. Each of the following events is hereby declared an event of default:

- (1) Failure of the Loan Recipient to make any loan repayment when it is due and such failure shall continue for a period of thirty (30) days.
- (2) Failure to comply with the provisions of this Agreement or in the performance or observance of any of the covenants or actions required by this Agreement.
- (3) Any warranty, representation or other statement by, or on behalf of, the Loan Recipient contained in this Agreement or in any information furnished in compliance with, or in reference to, this Agreement, which is false or misleading in any material respect.
- (4) An order or decree entered, with the acquiescence of the Loan Recipient, appointing a receiver of any part of the Project or Revenues thereof; or if such order or decree, having been entered without the consent or acquiescence of the Loan Recipient, shall not be vacated or discharged or stayed on appeal within sixty (60) days after the entry thereof.
- (5) Any proceeding instituted, with the acquiescence of the Loan Recipient, for the purpose of effecting a compromise between the Loan Recipient and its creditors or for the purpose of adjusting the claims of such creditors, pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are payable from Revenues of the Project.

- (6) Any bankruptcy, insolvency or other similar proceeding instituted by, or against, the Loan Recipient under federal or state bankruptcy or insolvency laws now or hereafter in effect and, if instituted against the Loan Recipient, is not dismissed within sixty (60) days after filing.
- (7) Failure to give timely notice of default as required below when such failure shall continue for a period of thirty (30) days.

4.02. NOTICE OF DEFAULT. The Loan Recipient shall give the Department immediate written notice of an event of default.

4.03. REMEDIES. Upon any event of default and subject to the rights of bondholders with prior liens, the Department may enforce its rights by utilizing one or more of the following remedies:

- (1) By mandamus or other proceeding at law or in equity, cause to establish and collect fees and charges for use of the Project and to require the Loan Recipient to fulfill this Agreement.
- (2) By action or suit in equity, require the Loan Recipient to account for all moneys received from the Department or from the ownership of the Project and to account for the receipt, use, application or disposition of the Revenues.
- (3) By action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Department.
- (4) By applying to a court of competent jurisdiction, cause to appoint a receiver to manage the Project, establish and collect fees and charges, and apply the Revenues to the reduction of the obligations under this Agreement.
- (5) By certifying to the Commissioner of the Mississippi Department of Revenue delinquency on loan repayments, the Department may intercept the delinquent amount, plus ten (10) percent annual penalty interest on the amount due to the Department, from any unobligated funds due to the Loan Recipient under any revenue or tax sharing fund established by the State. Penalty interest shall accrue on any amount due and payable beginning on the thirtieth (30th) day following the date upon which payment is due. The penalty interest shall be compounded monthly.
- (6) By notifying financial market credit rating agencies.
- (7) By administratively charging or suing for payment of amounts due, or becoming due, plus ten (10) percent annual penalty interest which shall accrue on any amount due and payable beginning on the thirtieth (30th) day after such notification by the Department, together with all costs of collection, including attorneys' fees. The penalty interest shall be compounded monthly.
- (8) By accelerating the repayment schedule or increasing the interest rate in accordance with the DWSIRLF Regulations.

- (9) By withholding payments to the Loan Recipient.
- (10) By terminating the Agreement, after providing thirty (30) days written notice of such intent to terminate the Agreement. Such termination will not affect the duty of the Loan Recipient to repay loan funds paid thus far.

4.04. DELAY AND WAIVER. No delay or omission to exercise any right or power accruing upon event of default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised as often as may be deemed expedient. No waiver or any default under this Agreement shall extend to or affect any subsequent event of default, whether of the same or different provision of this Agreement, or shall impair consequent rights or remedies.

ARTICLE V - GENERAL PROVISIONS

5.01. DISCHARGE OF OBLIGATIONS. All loan repayments required to be made under this Agreement shall be cumulative. Any deficiencies in any month shall be added to the repayment due in the succeeding month and all months thereafter until fully repaid. Repayments shall continue to be secured by this Agreement until all of the repayments required shall be fully repaid to the Local Governments and Rural Water Systems Improvements Revolving Loan Fund. If, at any time, the Loan Recipient shall have repaid the Loan and interest required, the pledge of, and lien on, the Revenues to the Local Governments and Rural Drinking Water Systems Improvements Revolving Loan Fund shall be no longer in effect.

5.02. PROJECT RECORD AND STATEMENT. Books, records, reports, design documents, contract documents, and papers related to the Project shall be available to the authorized representatives of the Department and the U.S. Environmental Protection Agency for inspection at any reasonable time after the Loan Recipient has executed an Agreement and before one year has elapsed after the Loan Recipient repays the loan in full. If litigation, a claim, an appeal, or an audit is begun before the end of the one year period, all records must be kept for one year after the litigation, appeal, claim, or audit is complete or resolved.

5.03. ASSIGNMENT OF RIGHTS UNDER AGREEMENT. The Department may assign any part of its rights under this Agreement without the consent of the Loan Recipient. The Loan Recipient shall not assign rights created by this Agreement without the consent of the Department.

5.04. AMENDMENT OF AGREEMENT. Modification, changes or amendments to this Agreement may be made upon mutual agreement of the parties hereto. However, any change, supplement, modification or amendment of any term, provision or condition of this Agreement shall be (1) in writing and signed by both parties, and (2) consistent with applicable statutes, rules, regulations, executive orders, or written agreements between the Department and the U.S. Environmental Protection Agency.

5.05. SEVERABILITY CLAUSE. If any provision of this Agreement shall be held invalid or unenforceable, the remaining provisions shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

5.06. **CONFLICTS CLAUSE.** In the event that any provision of this Agreement conflicts with the DWSIRLF Regulations, the Regulations will govern unless this Agreement specifically provides otherwise.

5.07. **EXECUTION OF AGREEMENT.** This Agreement becomes effective upon execution by the Board and the Loan Recipient. This Agreement will not be altered by the Loan Recipient after execution by the Board.

5.08. **BONDS AND INSURANCE REQUIRED.** The Loan Recipient shall require contractors to provide performance and payment bonds for the full amount of the contracts. Insurance against all risks during the period of construction shall be provided. Builder's risk or similar types of insurance in the amount of the full replacement cost of the Project shall be provided to the extent that such insurance is obtainable from time to time against any one or more of such risks.

The Loan Recipient shall cause insurance to be obtained and maintained against such risks as is customary during construction. Insurance requirements include workers' compensation, comprehensive general liability, contractors' indemnification obligations, vehicle liability, flood and property insurance. The Department reserves the right to require business interruption insurance when the Project includes revenue producing facilities and when such revenue produced therefrom is to be used for repayment of the loan. Any such requirement shall be included in the Project Specific Loan Conditions. The proceeds of insurance policies received as a result of damage to, or destruction of, facilities or structures shall be used to restore or replace damaged portions of the facilities. If such proceeds are insufficient, the Loan Recipient shall provide such restoration or replacement of the damaged portions of the facilities. Such restoration or replacement shall be promptly completed.

The Loan Recipient shall cause the Project, as each part thereof is certified by the engineer responsible for overseeing construction as completed, to be insured by an insurance company or companies licensed to do business in the State of Mississippi against such risks as are customary in connection with the operation of facilities of like size, type and location in customary amounts to the extent such insurance is obtainable from time to time against any one or more of such risks. Such insurance shall be maintained at least until such time as the loan amount has been completely repaid.

ARTICLE VI - SAFE DRINKING WATER ACT AND OTHER FEDERAL REQUIREMENTS

6.01. **SAFE DRINKING WATER ACT.** The Loan Recipient shall comply with all provisions of the Safe Drinking Water Act and regulations thereunder.

6.02. **CROSS-CUTTING FEDERAL LAWS AND AUTHORITIES.** The Loan Recipient shall comply with the cross-cutting Federal Laws and Authorities as required by the DWSIRLF Regulations, Appendix H.

6.03. **SINGLE AUDIT ACT.** The Loan Recipient shall comply with all provisions of the Single Audit Act Amendments of 1996 and regulations thereunder. When required by the Act, the Loan Recipient must submit the required copies of its Single Audit to the Department and to the designated Federal Clearinghouse, within the time frames allowed in the Act.

6.04. ARRA PROVISIONS. A portion of the funds awarded herein may be made available through the "American Recovery and Reinvestment Act of 2009" (ARRA). If so, the Loan Recipient shall comply with all applicable provisions of the ARRA and the related OMB Implementation Requirements, portions of which are detailed in Exhibit 1 of this loan agreement.

6.05. ARRA – GREEN INFRASTRUCTURE. Projects that have been designated "Green Infrastructure" will be required to submit a business case certification. This certification will serve as proof that the project is justified as "Green Infrastructure."

ARTICLE VII - DETAILS OF FINANCING

7.01. AMOUNT OF LOAN. The amount of the Loan authorized is \$2,067,099. (Note: This is the amount listed in Section 7.02.(12) below – which is the Subtotal and Interest Accrued combined).

7.02. SOURCE OF FUNDS. The Loan Recipient understands and agrees that the source(s) of funds for this Loan may be through EPA Regular Capitalization Grant monies, Federally-appropriated ARRA monies, state match or a combination of these sources. This project is funded in the amount of \$134,288 through EPA Regular Capitalization Grant monies. Additional funding for this project in the amount of \$1,920,453 is through ARRA funds. Principal forgiveness in the amount of \$209,171 has been awarded to a portion of this Loan funded through ARRA funds.

7.03. PROJECT BUDGET. The Loan Recipient agrees to the following project budget. Payments to the Loan Recipient for each cost item may not exceed the project budget line items for each. Payments for other cost items may not exceed the sum of that project budget line item and any remaining contingency. Payments out of the contingency line item may be further limited if the Department determines that such payments could jeopardize completion of the Project. Amendments to the project budget must be requested by the Loan Recipient and approved by the Department and must be in accordance with the DWSIRLF Regulations.

	<u>LOAN AMOUNT</u>
(1) Construction	\$ <u>1,956,741</u>
(2) Equipment	\$ <u>-0-</u>
(3) Supplies	\$ <u>-0-</u>
(4) Testing	\$ <u>-0-</u>
(5) Contingency	\$ <u>-0-</u>
(6) Land, Easements, Rights-of-Way	\$ <u>-0-</u>
(7) Allowance for Facilities Planning and Design	\$ <u>22,000</u>
(8) Allowance for Construction Phase Professional Services	\$ <u>76,000</u>
(9) SUBTOTAL	\$ <u>2,054,741</u>
(10) Overpayment Interest Penalty Accrual	\$ <u>-0-</u>
(11) Interest Accrued	\$ <u>12,358</u>
(12) TOTAL LOAN AMOUNT	\$ <u>2,067,099</u>
(13) Less Principal Forgiveness	\$ <u>(209,171)</u>
(14) DWSIRLF FINAL LOAN AMOUNT (TO BE REPAYED)	\$ <u>1,857,928</u>

7.04. AVAILABILITY OF FUNDS. The Loan Recipient understands and agrees that this loan award is based upon anticipated federal, state match, and other funds being made available to the Department. The Loan Recipient agrees that should such anticipated funds not be made available to the Department, the Department may delay payments to the Loan Recipient, may terminate the loan agreement, and/or may recover any previous payments made to the Loan Recipient. The Loan Recipient releases the Department from all liability for any claims or damages related to such actions and further agrees not to take any legal or other actions against the Department in regard to such claims, damages, or actions by the Department.

7.05. PROHIBITION OF DUPLICATE FUNDING. The Loan Recipient hereby agrees that all costs requested for reimbursement from the Local Governments and Rural Water Systems Improvements Revolving Loan Fund have not been, and will not be, also requested or received from other State or Federal agency funding sources.

7.06. INTEREST RATE AND ACCRUAL. The rate of interest on the unpaid principal of the Loan is 1.95 percent per annum, to be compounded monthly. Interest on amounts paid to the Loan Recipient will commence on the last construction contract completion date as established in the initial loan agreement or one year after the date established in the initial loan agreement for issuance of the notice to proceed on the earliest construction contract, whichever occurs first. Interest accrued prior to initiation of the repayment process will be added to the final allowable project costs to determine the principal amount to be repaid by the Loan Recipient.

7.07. FINAL REPAYMENT SCHEDULE. The Loan Recipient hereby authorizes the Mississippi Department of Revenue to withhold \$9,584.94 monthly from the amount of sales tax reimbursement it is to remit to said Loan Recipient under Section 27-65-75, Mississippi Code of 1972, as amended, for repayment of the loan amount as specified in Article 7.03.(13) of this Agreement to the Local Governments and Rural Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) for a period of 233 months, to begin June, 2011, subject to amendment in accordance with the DWSIRLF Regulations. The monthly repayments to be made by the Mississippi Department of Revenue to the DWSIRLF for the Loan Recipient for the repayment of the loan amount as specified in Article 7.01. of this Agreement made to said Loan Recipient are hereby determined to be \$9,584.94 for a period of 233 months, to begin July, 2011, subject to amendment in accordance with DWSIRLF Regulations.

7.08 ADMINISTRATIVE FEE. An administrative fee will be collected from the loan repayment amounts described in Article 7.07. to defray the costs of administering the fund. Beginning with the initiation of the repayment process and until such time that the total administrative fee is collected, the interest portion of each repayment will not be charged, and in lieu of the interest portion, an equal amount of the repayment will be collected as the administrative fee. **The amount of the administrative fee to be collected will be equal to \$103,354.95 (which is five percent of the final total loan amount reflected in Article 7.03.(12) or the total amount of interest due over the life of the loan, whichever is less.**

ARTICLE VIII - PROJECT BUDGET PERIOD

8.01. PROJECT BUDGET PERIOD. Unless amended, the budget period for this project begins on September 30, 2009 and expires on January 20, 2011. No costs that are incurred or requested after the expiration date will be eligible. The expiration date is 30 days after the Department's final construction observation date.

ARTICLE IX - PROJECT DESCRIPTION

9.01. PROJECT DESCRIPTION. The Project shall mean facilities funded in whole or in part under this Agreement described as follows:

The replacing or retrofitting of approximately 8,600 existing water meters with radio read heads with associated equipment and software needed to communicate with the meters.

The loan eligible scope is specifically limited to that described above and, if applicable, to that identified as eligible in the facilities plan and as further described by plans, specifications, contract documents, and change orders approved as eligible by the Department. The Loan Recipient hereby agrees that no additional eligible scope will be added to this Project Description.

ARTICLE X - PROJECT SPECIFIC LOAN CONDITIONS

10.01. PROJECT SPECIFIC LOAN CONDITIONS. The Loan Recipient shall comply with the following Project Specific Loan Conditions and any amendments made thereto pursuant to the provisions of the DWSIRLF Regulations.

- (1) The Loan Recipient shall comply with the following schedule in accordance with DWSIRLF Regulation III.D.(3) and III.F.(7). **Earlier completion of certain actions may require earlier completion of other actions.**
 - a. By November 1, 2009, secure approval of plans, specifications and contract documents by the Department (**Approved on November 2, 2009**);
 - b. By November 19, 2009, submit clear title certificates from the Loan Recipient and title counsel for all real property (eligible and ineligible) and easements (**Submitted on November 4, 2009**);
 - c. By November 19, 2009, advertise all construction contracts for bids and submit proof of such advertisement (**Advertised on November 4, 2009 and November 11, 2009; Proof submitted on December 1, 2009**);
 - d. By December 19, 2009, open bids on all construction contracts (**Opened on November 30, 2009**);
 - e. By December 14, 2009 (no later than 14 days after receipt of bids), submit the completed MBE/WBE documentation on all construction contracts (**Submitted on December 16, 2009**);

- f. By December 21, 2009 (no later than 21 days after receipt of bids), submit bid packages on all construction contracts, executed copies of all construction phase professional services contracts, and a loan agreement amendment request (**Bid package submitted on December 21, 2009; Executed professional services contract submitted on December 22, 2009; Loan agreement amendment request submitted on December 21, 2009**);
- g. By January 29, 2010 (60 days after receipt of bids), execute and submit all construction contract documents and issue and submit a notice to proceed on all such contracts (**Construction contract executed on January 15, 2010; Construction contract submitted on January 21, 2010; Notice to proceed issued and submitted on January 27, 2010**);
- h. By January 12, 2011 (may change due to change orders), complete construction on the last construction contract. All other contracts must be completed by their original contract completion date, or as amended by approved change orders; (**Completed on December 15, 2010**)
- i. By January 22, 2011 (10 days after the last construction contract completion date), notify the Department of construction completion. Notification of completion must be given within 10 days after completion of each contract; (**Notified on December 15, 2010**)
- j. By February 11, 2011 (30 days after the last construction contract completion date), submit all change orders which include time extensions exceeding 30 days beyond the original contract completion date and/or documentation that the Loan Recipient is implementing all legal remedies provided in the contract documents for failure to complete construction when required; (**No time extensions were requested**)
- k. By February 11, 2011 (30 days after the last construction contract completion date), hold final construction observation. A final observation will be held on each contract within 30 days after the current completion date on that contract; (**Held on December 21, 2010**)
- l. By March 13, 2011 (30 days after final construction observation), submit final payment requests, approvable summary change orders, full-scale record drawings, the registered engineer's certification of compliance with plans, specifications and contract documents, appropriate bacteriological test results, final construction phase professional services contract amendments and all other administrative forms and documents required by the Agreement and the Department. **Payment requests submitted after this date are not allowable regardless of when the costs were incurred; (Submitted on January 11, 2011)**

- (2) Should the Loan Recipient be subject to any administrative order, court order, or other enforcement action presently or in the future, the Loan Recipient shall comply with such enforcement action regardless of any schedules, document submittals or approvals, or any other requirements under this Agreement. Any such schedules, document submittals or approvals, or any other requirements under this Agreement which vary from the enforcement action requirements shall in no way relieve the Loan Recipient from compliance with such enforcement action, nor shall such enforcement action relieve the Loan Recipient from compliance with any Agreement requirement.
- (3) If any ineligible construction, equipment, supplies, or testing are added to this Project, the final payment for the allowance for professional services after loan award shall be reduced to reflect eligible costs using one of the following methods.
- The Loan Recipient shall submit separate invoices for eligible and ineligible work. All contracts for professional services after loan award shall have separate compensation clauses and cost ceilings for eligible and ineligible work.
 - The allowance payment shall be prorated by the eligibility ratio shown below. The final ratio shall be based on actual, final costs for construction, equipment and supplies, and testing; an interim ratio may be used as needed.

$$\text{Eligibility Ratio} = \frac{\text{Eligible Construction/Equipment/Supplies/Testing Cost}}{\text{Total Construction/Equipment/Supplies/Testing Cost}}$$

If it becomes apparent that the allowance payments will exceed the eligible amount, the Department may limit payments prior to the final payment.

- (4) The Loan Recipient understands and agrees that the Mississippi State Department of Health will be performing loan eligibility/allowability document reviews and other routine loan management activities. The Loan Recipient agrees to submit all documents when so required by this Agreement (and the DWSIRLF Regulations) directly to the Mississippi State Department of Health, and to respond to such review and take such actions as required by the Mississippi State Department of Health in order to secure loan eligibility/allowability of costs incurred in the construction of this Project.
- (5) The Loan Recipient shall undertake the six affirmative steps as stated in Appendix E of the DWSIRLF Regulations and as further described in the Department's MBE/WBE Utilization Guidance to assure minority and women's business enterprises have the maximum feasible opportunity to participate in a fair share of the subagreements awarded under this Project. The fair share objectives negotiated for this Project are 2.1% minority and 1.2% women's business enterprises.

IN WITNESS WHEREOF, the Board has caused this Agreement to be executed on its behalf by the Board Chairman or his designee, and the Loan Recipient has caused this Agreement to be executed on its behalf by its Authorized Representative. **It is agreed that this Agreement No. DWI-H280088-02-2 supersedes and replaces the previous Agreement No. DWI-H280088-02-1.**

CITY OF CLINTON

STATE OF MISSISSIPPI

Chairman, Local Governments &
Rural Water Systems Improvements
Board
Director, Office of Health Protection,
Mississippi State Department of
Health

By:

Rosemary G. Aultman
Rosemary G. Aultman
Mayor

By:

James H. Craig III
James H. Craig III

Date

May 18, 2011April 28, 2011

Date

MISSISSIPPI DEPARTMENT OF
REVENUE

J. E. Morgan
Commissioner

Date

5-25-2011

Exhibit 1**Reporting and Registration Requirements Under Section 1512 of the American Recovery and Reinvestment Act of 2009**

The recipient agrees to the following reporting and registration requirements of Section 1512 of the American Recovery and Reinvestment Act and in accordance with 2 CFR § 176.50, if applicable:

- (a) This award requires the recipient to complete projects or activities which are funded under the American Recovery and Reinvestment Act of 2009 (Recovery Act) and to report on use of Recovery Act funds provided through this award. Information from these reports will be made available to the public.
- (b) The reports are due no later than ten calendar days after each calendar quarter in which the recipient receives the assistance award funded in whole or in part by the Recovery Act.
- (c) Recipients and their first-tier recipients must maintain current registrations in the Central Contractor Registration (<http://www.ccr.gov>) at all times during which they have active federal awards funded with Recovery Act funds. A Dun and Bradstreet Data Universal Numbering System (DUNS) Number (<http://www.dnb.com>) is one of the requirements for registration in the Central Contractor Registration.
- (d) The recipient shall report the information described in section 1512(c) of the Recovery Act using the reporting instructions and data elements that will be provided online at <http://www.FederalReporting.gov> and ensure that any information that is pre-filed is corrected or updated as needed.
- (e) The contractor shall ensure that all subcontracts and other contracts for goods and services for an ARRA-funded project have the mandated provisions of this directive in their contracts. Pursuant to title XV, Section 1512 of the ARRA, the State shall require that the contractor provide reports and other employment information as evidence to document the number of jobs created or jobs retains by this contract from the contractor's own workforce and any sub-contractors. No direct payment will be made for providing said reports, as the cost for same shall be included in the various items in the contract.

Required Use of American Iron, Steel, and Manufactured Goods Not Covered Under International Agreements Under Section 1605 of the American Recovery and Reinvestment Act of 2009

The recipient agrees to the following required use of American Iron, Steel, and Manufactured Goods of Section 1605 of the of the American Recovery and Reinvestment Act and in accordance with 2 CFR §176.140 when awarding Recovery Act funds for construction, alteration, maintenance, or repair of a public building or public work that does not involve iron, steel, and/or manufactured goods covered under international agreements, if applicable:

(a) *Definitions.* As used in this award term and condition—

(1) *Manufactured good* means a good brought to the construction site for incorporation into the building or work that has been—

- (i) Processed into a specific form and shape, or
- (ii) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

(2) *Public building and public work* means a public building of, and a public work of, a governmental entity (the United States, the District of Columbia, commonwealths, territories, and minor outlying islands of the United States, State and local governments, and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

(3) *Steel* means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) *Domestic preference.*

(1) This award term and condition implements Section 1605 of the American Recovery and Reinvestment Act of 2009 (Recovery Act) (Pub. L. 111-5), by requiring that all iron, steel, and manufactured goods used in the project are produced in the United States except as provided in paragraph (b)(3) and (b)(4) of this section and condition.

(2) This requirement does not apply to the material listed by the Federal Government as follows: [*Award official to list applicable excepted materials or indicate 'none'*]

(3) The award official may add other iron, steel, and/or manufactured goods to the list in paragraph (b)(2) of this section and condition if the Federal Government determines that-

- (i) The cost of the domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;
- (ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or
- (iii) The application of the restriction of section 1605 of the Recovery Act would be inconsistent with the public interest.

(c) *Request for determination of inapplicability of Section 1605 of the Recovery Act.*

(1)(i) Any recipient request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b)(3) of this section shall include adequate information for Federal Government evaluation of the request, including-

- (A) A description of the foreign and domestic iron, steel, and/or manufactured goods,
- (B) Unit of measure,
- (C) Quantity,
- (D) Cost,
- (E) Time of delivery or availability,
- (F) Location of the project,
- (G) Name and address of the proposed supplier, and
- (H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(3) of this section.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this section.

(iii) The cost of iron, steel, and/or manufactured goods material shall include all delivery costs to the construction site and any applicable duty.

(iv) Any recipient request for a determination submitted after Recovery Act funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the recipient could not reasonably foresee the need for such determination and could not have requested the determination before the funds were obligated. If the recipient does not submit a satisfactory explanation, the award official need not make a determination.

(2) If the Federal Government determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the Recovery Act applies, the award official will amend the award to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is non-availability or public interest, the amended award shall reflect adjustment of the award amount, redistribution of budgeted funds, and/or other actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the award official shall adjust the award amount or redistribute budgeted funds by at least the differential established in 2 CFR 176.110(a).

(3) Unless the Federal Government determines that an exception to section 1605 of the Recovery Act applies, use of foreign iron, steel, and/or manufactured goods is noncompliant with section 1605 of the American Recovery and Reinvestment Act.

(d) *Data.* To permit evaluation of requests under paragraph (b) of this section based on unreasonable cost, the Recipient shall include the following information and any applicable supporting data based on the survey of suppliers:

FOREIGN AND DOMESTIC ITEMS COST COMPARISON			
Description	Unit of measure	Quantity	Cost (dollars)*
<i>Item 1:</i>			
Foreign steel, iron, or manufactured good	_____	_____	_____
Domestic steel, iron, or manufactured good	_____	_____	_____
<i>Item 2:</i>			
Foreign steel, iron, or manufactured good	_____	_____	_____
Domestic steel, iron, or manufactured good	_____	_____	_____
[List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.] [Include other applicable supporting information.] [*Include all delivery costs to the construction site.]			

**Required Use of American Iron, Steel, and Manufactured Goods
Covered Under International Agreements Under Section 1605 of the
American Recovery and Reinvestment Act of 2009**

The recipient agrees to the following required use of American Iron, Steel, and Manufactured Goods (covered under International Agreements) of Section 1605 of the of the Recovery and Reinvestment Act and in accordance with 2 CFR §176.160 when awarding Recovery Act funds for construction, alteration, maintenance, or repair of a public building or public work that involves iron, steel, and/or manufactured goods materials covered under international agreements, if applicable:

(a) *Definitions.* As used in this award term and condition-

Designated country—

- (1) A World Trade Organization Government Procurement Agreement country (Aruba, Austria, Belgium, Bulgaria, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom;
- (2) A Free Trade Agreement (FTA) country (Australia, Bahrain, Canada, Chile, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Israel, Mexico, Morocco, Nicaragua, Oman, Peru, or Singapore), or
- (3) A United States European Communities Exchange of Letters (May 15, 1995) country: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and United Kingdom.

Designated country iron, steel, and/or manufactured goods-

- (1) Is wholly the growth, product, or manufacture of a designated country, or
- (2) In the case of a manufactured good that consist in whole or in part of materials from another country, has been substantially transformed in a designated country into a new and different manufactured good distinct from the materials from which it was transformed.

Domestic iron, steel, and/or manufactured good-

- (1) Is wholly the growth, product, or manufacture of the United States, or
- (2) In the case of a manufactured good that consists in whole or in part of materials from another country, has been substantially transformed in the United States into a new and different manufactured good distinct from the materials from which it was transformed. There is no requirement with regard to the origin of components or subcomponents in manufactured goods or products, as long as the manufacture of the goods occurs in the United States.

Foreign iron, steel, and/or manufactured good means iron, steel, and/or manufactured good that is not domestic or designated country iron, steel, and/or manufactured good.

Manufactured good means a good brought to the construction site for incorporation into the building or work that has been-

- (1) Processed into a specific form and shape, or
- (2) Combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

Public building and public work means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

Steel means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

(b) Iron, steel, and manufactured goods.

- (1) The award term and condition described in this section implements—
 - (i) Section 1605(a) of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111–5) (Recovery Act), by requiring that all iron, steel, and manufactured goods used in the project are produced in the United States, and
 - (ii) Section 1605(d), which requires application of the Buy American requirement in a manner consistent with U.S. obligations under international agreements. The restrictions of section 1605 of the Recovery Act do not apply to designated country iron, steel, and/or manufactured goods. The Buy American requirement in section 1605 shall not be applied where the iron, steel or manufactured goods used in the project are from a Party to an international agreement that obligates the recipient to treat the goods and services of that Party the same as domestic goods and services. This obligation shall only apply to projects with an estimated value of \$7,443,000 or more.

(2) The recipient shall use only domestic or designated country iron, steel, and manufactured goods in performing the work funded in whole or part with this award, except as provided in paragraphs (b)(3) and (b)(4) of this section.

(3) The requirement in paragraph (b)(2) of this section does not apply to the iron, steel, and manufactured goods listed by the Federal Government as follows:

[Award official to list applicable excepted materials or indicate "none"]

(4) The award official may add other iron, steel, and manufactured goods to the list in paragraph (b)(3) of this section if the Federal Government determines that-

(i) The cost of domestic iron, steel, and/or manufactured goods would be unreasonable. The cost of domestic iron, steel, and/or manufactured goods used in the project is unreasonable when the cumulative cost of such material will increase the overall cost of the project by more than 25 percent,

(ii) The iron, steel, and/or manufactured good is not produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality, or

(iii) The application of the restriction of section 1605 of the Recovery Act would be inconsistent with the public interest.

(c) *Request for determination of inapplicability of section 1605 of the Recovery Act or the Buy American Act.*

(1)(i) Any recipient request to use foreign iron, steel, and/or manufactured goods in accordance with paragraph (b)(4) of this section shall include adequate information for Federal Government evaluation of the request, including-

(A) A description of the foreign and domestic iron, steel, and/or manufactured goods,

(B) Unit of measure,

(C) Quantity,

(D) Cost,

(E) Time of delivery or availability,

(F) Location of the project,

(G) Name and address of the proposed supplier, and

(H) A detailed justification of the reason for use of foreign iron, steel, and/or manufactured goods cited in accordance with paragraph (b)(4) of this section.

(ii) A request based on unreasonable cost shall include a reasonable survey of the market and a completed cost comparison table in the format in paragraph (d) of this section.

(iii) The cost of iron, steel, or manufactured goods shall include all delivery costs to the construction site and any applicable duty.

(iv) Any recipient request for a determination submitted after Recovery Act funds have been obligated for a project for construction, alteration, maintenance, or repair shall explain why the recipient could not reasonably foresee the need for such determination and could not have requested the

determination before the funds were obligated. If the recipient does not submit a satisfactory explanation, the award official need not make a determination.

- (2) If the Federal Government determines after funds have been obligated for a project for construction, alteration, maintenance, or repair that an exception to section 1605 of the Recovery Act applies, the award official will amend the award to allow use of the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is nonavailability or public interest, the amended award shall reflect adjustment of the award amount, redistribution of budgeted funds, and/or other appropriate actions taken to cover costs associated with acquiring or using the foreign iron, steel, and/or relevant manufactured goods. When the basis for the exception is the unreasonable cost of the domestic iron, steel, or manufactured goods, the award official shall adjust the award amount or redistribute budgeted funds, as appropriate, by at least the differential established in 2 CFR 176.110(a).
- (3) Unless the Federal Government determines that an exception to section 1605 of the Recovery Act applies, use of foreign iron, steel, and/or manufactured goods other than designated country iron, steel, and/or manufactured goods is noncompliant with the applicable Act.

- (d) *Data.* To permit evaluation of requests under paragraph (b) of this section based on unreasonable cost, the applicant shall include the following information and any applicable supporting data based on the survey of suppliers:

FOREIGN AND DOMESTIC ITEMS COST COMPARISON			
Description	Unit of measure	Quantity	Cost (dollars)*
<i>Item 1:</i>			
Foreign steel, iron, or manufactured good			
Domestic steel, iron, or manufactured good			
<i>Item 2:</i>			
Foreign steel, iron, or manufactured good			
Domestic steel, iron, or manufactured good			
[List name, address, telephone number, email address, and contact for suppliers surveyed. Attach copy of response; if oral, attach summary.]			
[Include other applicable supporting information.]			
[Include all delivery costs to the construction site.]			

Wage Rate Requirements under Section 1606 of the American Recovery and Reinvestment Act.

The recipient agrees to the following wage rate requirements of Section 1606 of the of the Recovery and Reinvestment Act and in accordance with 2 CFR §176.190 when issuing announcements or requesting applications for Recovery Act programs or activities that may involve construction, alteration, maintenance, or repair, if applicable:

When issuing announcements or requesting applications for Recovery Act programs or activities that may involve construction, alteration, maintenance, or repair the agency shall use the award term described in the following paragraphs:

(a) Section 1606 of the Recovery Act requires that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the Federal Government pursuant to the Recovery Act shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code. Pursuant to Reorganization Plan No. 14 and the Copeland Act, 40 U.S.C. 3145, the Department of Labor has issued regulations at 29 CFR parts 1, 3, and 5 to implement the Davis Bacon and related Acts. Regulations in 29 CFR 5.5 instruct agencies concerning application of the standard Davis Bacon contract clauses set forth in that section. Federal agencies providing grants, cooperative agreements, and loans under the Recovery Act shall ensure that the standard Davis Bacon contract clauses found in 29 CFR 5.5(a) are incorporated in any resultant covered contracts that are in excess of \$2,000 for construction, alteration or repair (including painting and decorating).

(b) For additional guidance on the wage rate requirements of section 1606, contact your awarding agency. Recipients of grants, cooperative agreements and loans should direct their initial inquiries concerning the application of Davis Bacon requirements to a particular federally assisted project to the Federal agency funding the project. The Secretary of Labor retains final coverage authority under Reorganization Plan Number 14.

**Recipient Responsibilities regarding tracking and documenting Expenditures
under the American Recovery and Reinvestment Act of 2009.**

*The recipient agrees to the following tracking and documenting responsibilities required by
Section 1606 of the Recovery and Reinvestment Act and in accordance with 2 CFR §176210,
if applicable:*

(a) To maximize the transparency and accountability of funds authorized under the American Recovery and Reinvestment Act of 2009 (Pub. L. 111- 5) (Recovery Act) as required by Congress and in accordance with 2 CFR 215.21 "Uniform Administrative Requirements for Grants and Agreements" and OMB Circular A-102 Common Rules provisions, recipients agree to maintain records that identify adequately the source and application of Recovery Act funds.

OMB Circular A-102 is available at <http://www.whitehouse.gov/omb/circulars/a102/a102.html>.

(b) For recipients covered by the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," recipients agree to separately identify the expenditures for Federal awards under the Recovery Act on the Schedule of Expenditures of Federal Awards (SEFA) and the Data Collection Form (SF-SAC) required by OMB Circular A-133. OMB Circular A-133 is available at

<http://www.whitehouse.gov/omb/circulars/a133/a133.html>. This shall be accomplished by identifying expenditures for Federal awards made under the Recovery Act separately on the SEFA, and as separate rows under Item 9 of Part III on the SF-SAC by CFDA number, and inclusion of the prefix "ARRA" in identifying the name of the Federal program on the SEFA and as the first characters in Item 9d of Part III on the SF-SAC.

(c) Recipients agree to separately identify to each subrecipient, and document at the time of subaward and at the time of disbursement of funds, the Federal award number, CFDA number, and amount of Recovery Act funds. When a recipient awards Recovery Act funds for an existing program, the information furnished to subrecipients shall distinguish the subawards of incremental Recovery Act funds from regular subawards under the existing program.

(d) Recipients agree to require their subrecipients to include on their SEFA information to specifically identify Recovery Act funding similar to the requirements for the recipient SEFA described above. This information is needed to allow the recipient to properly monitor subrecipient expenditure of ARRA funds as well as oversight by the Federal awarding agencies, Offices of Inspector General and the Government Accountability Office.

**Additional Loan Recipient Responsibilities Necessary
under the American Recovery and Reinvestment Act of 2009**

E-Payment to Vendors

Payments by state agencies to Loan Recipients using the SAAS shall be made and remittance information provided electronically as directed by the State. These payments shall be deposited into the bank account of the Loan Recipient's choice.

**Requirement to Comply with E-Verification Provisions of Section 71-11-3 of the
Mississippi Code of 1972, as amended**

The loan recipient represents and warrants that it will ensure its compliance with the Mississippi Employment Protection Act (Senate Bill 2988 from the 2008 Regular Legislative Session) and will register and participate in the status verification system for all newly hired employees. The term "employee" as used herein means any person that is hired to perform work within the State of Mississippi. As used herein, "status verification system" means the Illegal Immigration Reform and Immigration Responsibility Act of 1996 that is operated by the United States Department of Homeland Security, also known as the E-Verify Program, or any other successor electronic verification system replacing the E-Verify Program. Loan Recipient agrees to maintain records of such compliance and, upon request of the State, to provide a copy of each such verification to the State. Loan Recipient further represents and warrants that any person assigned to perform services hereunder meets the employment eligibility requirements of all immigration laws of the State of Mississippi. Loan Recipient understands and agrees that any breach of these warranties may subject Loan Recipient to the following:

(a) termination of this Loan Agreement and ineligibility for any State or public contract in Mississippi for up to three (3) years with notice of such cancellation/termination being made public;

(b) the loss of any license, permit, certification, or other document granted to Loan Recipient by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year or .

(c) both. In the event of such termination/cancellation, Loan Recipient would also be liable for any additional costs incurred by the State due to loan agreement cancellation or loss of license or permit.

**Required Whistleblower Protection Under Section 1553 of the
American Recovery and Reinvestment Act of 2009**

Section 1553 of Division A, Title XV of the American Recovery and Reinvestment Act of 2009, P.L. 111-5, provides protections for certain individuals who make specified disclosures relating to Recovery Act funds. Any non-federal employer receiving ARRA funds is required to post a notice of the rights and remedies provided under this section of the Act.

**Requirement to Comply with Provision of Section 902 of the
American Recovery and Reinvestment Act of 2009**

Section 902 of the ARRA requires that each contract awarded by the Loan Recipient using ARRA funds must include a provision that provides the U.S. Comptroller General and his representatives with the authority to:

- (1) Examine any records of the Loan Recipient, contractor(s) or any of its subcontractors, or of any State or local agency administering such awarded contract, that directly pertain to, and involve transactions relating to, the contract or subcontract; and
- (2) Interview any officer or employee of the Loan Recipient, contractor(s) or any of its subcontractors, or of any State or local government agency administering the awarded contract, regarding such transactions.

Accordingly, the Comptroller General and his representatives shall have the authority and rights prescribed under Section 902 of the ARRA with respect to awarded contracts funded with recovery funds made available under the ARRA. Section 902 further states that nothing in 902 shall be interpreted to limit or restrict in any way any existing authority of the Comptroller General.

**Required Provision Noting Authority of the Inspector General in of Section 1515(a) of the
American Recovery and reinvestment Act of 2009**

Section 1515(a) of the ARRA provides authority for any representatives of the United States Inspector General to examine any records or interview any employee or officers working on this loan agreement and awarded contracts. The Loan Recipient is advised that representatives of the Inspector General have the authority to examine any record and interview any employee or officer of the Loan Recipient, contractor(s), its subcontractors or other firms working on awarded contracts. Section 1515(b) further provides that nothing in this section shall be interpreted to limit or restrict in any way any existing authority of an Inspector General.

Required Provision to Comply with NEPA and NHPA
Construction, Renovation, and Remodeling Projects Only

ARRA funded projects may be required to comply with the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and related statutes, including requirements for plans and projects to be reviewed and documented in accordance with those processes. If the ARRA program from which funds are to be expended requires such language, then NEPA and NHPA requirements may need to be included in contracts or sub-grants. Such language would be dependent on federal oversight agency guidance as well as from the following: http://nepa.gov/nepa/regs/CEQ_1609_NEPA_Guidance_03-12.pdf (NEPA only)

Requirement to Acknowledge Availability and Use of Funds

The Loan Recipient understands and acknowledges that any and all payment of funds or the continuation thereof is contingent upon funds provided solely by ARRA or required state matching funds. Pursuant to Section 1604 of the ARRA, contractors agree not to undertake or make progress toward any activity using ARRA funds that will lead to the development of such activity as casinos or other gambling establishments, aquariums, zoos, golf courses, swimming pools or any other activity specifically prohibited by the ARRA.

Requirement Regarding Federal, State and Local Tax Obligations

By the signing this agreement, the Loan Recipient asserts and self-certifies that all Federal, State and local tax obligations have been or will be satisfied prior to receiving ARRA funds.

Requirement to Comply with Anti-Discrimination and Equal Opportunity Statutes

Pursuant to Section 1.7 of the guidance memorandum issued by the United States Office of Management and Budget on April 3, 2009, ARRA funds must be distributed in accordance with all anti-discrimination and equal opportunity statutes, regulations, and Executive Orders pertaining to the expenditure of funds.

Requirement to Comply with Access to Records by State Officer

By the signing of this loan agreement, the Loan Recipient is aware that the State Auditor (pursuant to SB 3052, 2009 Regular Session) shall have access to ARRA records and employee information as necessary to conduct its work related to ARRA oversight.

Requirement to Comply With All Other ARRA Requirements

By the signing of the loan agreement, the Loan Recipient agrees to comply with any other requirements of ARRA, upon notification by this entity.



LOCAL GOVERNMENTS AND RURAL WATER SYSTEMS
IMPROVEMENTS BOARD

April 28, 2011

RECEIVED
MAY 4 2011

CERTIFIED MAIL NO. 7009 2820 0001 9398 9656

CITY OF CLINTON

Honorable Rosemary G. Aultman, Mayor
City of Clinton
P. O. Box 156
Clinton, MS 39060-0156

Re: City of Clinton
Radio Read Meters
Final Determination of Allowable Project Costs
and Final DWSIRLF Loan Offer
DWI-H280088-02-2; DWI-L250003-02-2
CFDA # 66.468

Dear Mayor Aultman:

Based on a review of your files for the above referenced project, our final determination of your allowable project costs is as follows:

Final Allowable Project Costs:	\$ 2,054,741
*Less Previous Payments:	<u>\$ 2,054,741</u>
<u>Payment:</u>	\$ -0-

*This amount includes the final payment of \$158,239.32 which has been approved and is being processed for payment.

In accordance with DWSIRLF Regulation III.I.(1) and (2), interest on amounts paid to the loan recipient was accrued from one year after the date established in the initial loan agreement for issuance of the notice to proceed on the earliest construction contract. This amount was added to the final allowable project costs, resulting in the Subtotal amount shown below. Also, if your loan includes FY2009 American Recovery and Reinvestment Act (ARRA) funds, a portion may appear as Principal Forgiveness in the chart on the next page.

Current DWSIRLF Loan Amount:	\$ 2,096,097
Loan Amount to be Decreased:	- \$ 41,356
Final Allowable Project Cost:	\$ 2,054,741
Interest Accrued on Loan:	+ \$ 12,358
Subtotal:	\$ 2,067,099
Less Principal Forgiveness:	- \$ 209,171
Final Loan Principal Amount:	\$ 1,857,928

If you agree with the above final determination, please sign the enclosed original and four (4) copies of the Final Loan Agreement. After signing the agreement, keep one copy with your official project files and send the original and three (3) copies by certified mail to Nancy Stallings, Mississippi State Department of Health (MSDH), Bureau of Public Water Supply/DWSRF-U232, P.O. Box 1700, Jackson, MS 39215-1700. The signed final loan agreement must be submitted to MSDH by (insert date 30 days from the date of this letter).

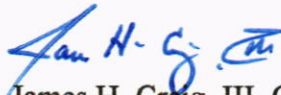
In accordance with DWSIRLF Regulation III.G.3., if you do not agree with the above final determination, you may submit a written appeal of this final determination to the MSDH within thirty (30) days after the date of this letter. The appeal must include a written justification of the reason for the appeal and supporting documentation for any disputed costs of the final determination. Submission of an appeal will not delay the accrual of any interest.

The following sections of your loan agreement have been amended:

7.01., 7.02., 7.03., 7.08., 8.01., and 10.01.(1)

Should you have any questions or if we may provide assistance, please contact the MSDH Project Manager, Matthew B. Rushing, E.I., at 601/576-7518.

Sincerely,



James H. Craig, III, Chairman
Local Governments and Rural Water
Systems Improvements Board

JHC/jlk

Enclosures

cc: Gregory Gearhart, P. E., Williford, Gearhart & Knight, Inc.
Matthew B. Rushing, E.I.
Nancy Stallings
Final Closeout File

**STATE OF MISSISSIPPI
DEPARTMENT OF HEALTH**

Amortization Schedule

Monday April 18 2011 1:32 PM

Program: Drinking Water Improvements
Project: City of Clinton
Loan/Grant: DWI-H280088-02-2; DWI-L250003-02-2

Compound Period: Monthly
Nominal Annual Rate: 1.95000%
Loan Amount: 1,857,928.00
No. of Payments: 233

#	Date	Payment	Interest	Principal	Balance
1	07-01-11	9,584.94	3,019.13	6,565.81	1,851,362.19
2	08-01-11	9,584.94	3,008.46	6,576.48	1,844,785.71
3	09-01-11	9,584.94	2,997.78	6,587.16	1,838,198.55
4	10-01-11	9,584.94	2,987.07	6,597.87	1,831,600.68
5	11-01-11	9,584.94	2,976.35	6,608.59	1,824,992.09
6	12-01-11	9,584.94	2,965.61	6,619.33	1,818,372.76
2011 Totals		57,509.64	17,954.40	39,555.24	
7	01-01-12	9,584.94	2,954.86	6,630.08	1,811,742.68
8	02-01-12	9,584.94	2,944.08	6,640.86	1,805,101.82
9	03-01-12	9,584.94	2,933.29	6,651.65	1,798,450.17
10	04-01-12	9,584.94	2,922.48	6,662.46	1,791,787.71
11	05-01-12	9,584.94	2,911.66	6,673.28	1,785,114.43
12	06-01-12	9,584.94	2,900.81	6,684.13	1,778,430.30
13	07-01-12	9,584.94	2,889.95	6,694.99	1,771,735.31
14	08-01-12	9,584.94	2,879.07	6,705.87	1,765,029.44
15	09-01-12	9,584.94	2,868.17	6,716.77	1,758,312.67
16	10-01-12	9,584.94	2,857.26	6,727.68	1,751,584.99
17	11-01-12	9,584.94	2,846.33	6,738.61	1,744,846.38
18	12-01-12	9,584.94	2,835.38	6,749.56	1,738,096.82
2012 Totals		115,019.28	34,743.34	80,275.94	
19	01-01-13	9,584.94	2,824.41	6,760.53	1,731,336.29
20	02-01-13	9,584.94	2,813.42	6,771.52	1,724,564.77
21	03-01-13	9,584.94	2,802.42	6,782.52	1,717,782.25
22	04-01-13	9,584.94	2,791.40	6,793.54	1,710,988.71
23	05-01-13	9,584.94	2,780.36	6,804.58	1,704,184.13
24	06-01-13	9,584.94	2,769.30	6,815.64	1,697,368.49
25	07-01-13	9,584.94	2,758.22	6,826.72	1,690,541.77
26	08-01-13	9,584.94	2,747.13	6,837.81	1,683,703.96
27	09-01-13	9,584.94	2,736.02	6,848.92	1,676,855.04
28	10-01-13	9,584.94	2,724.89	6,860.05	1,669,994.99
29	11-01-13	9,584.94	2,713.74	6,871.20	1,663,123.79
30	12-01-13	9,584.94	2,702.58	6,882.36	1,656,241.43
2013 Totals		115,019.28	33,163.89	81,855.39	
31	01-01-14	9,584.94	2,691.39	6,893.55	1,649,347.88
32	02-01-14	9,584.94	2,680.19	6,904.75	1,642,443.13
33	03-01-14	9,584.94	2,668.97	6,915.97	1,635,527.16
34	04-01-14	9,584.94	2,657.73	6,927.21	1,628,599.95

STATE OF MISSISSIPPI
DEPARTMENT OF HEALTH

Amortization Schedule

Monday April 18 2011 1:32 PM

Program: Drinking Water Improvements
Project: City of Clinton
Loan/Grant: DWI-H280088-02-2; DWI-L250003-02-2
Compound Period: Monthly
Nominal Annual Rate: 1.95000
Loan Amount: 1,857,928.00
No. of Payments: 233

	Date	Payment	Interest	Principal	Balance
35	05-01-14	9,584.94	2,646.47	6,938.47	1,621,661.48
36	06-01-14	9,584.94	2,635.20	6,949.74	1,614,711.74
37	07-01-14	9,584.94	2,623.91	6,961.03	1,607,750.71
38	08-01-14	9,584.94	2,612.59	6,972.35	1,600,778.36
39	09-01-14	9,584.94	2,601.26	6,983.68	1,593,794.68
40	10-01-14	9,584.94	2,589.92	6,995.02	1,586,799.66
41	11-01-14	9,584.94	2,578.55	7,006.39	1,579,793.27
42	12-01-14	9,584.94	2,567.16	7,017.78	1,572,775.49
2014	Totals	115,019.28	31,553.34	83,465.94	
43	01-01-15	9,584.94	2,555.76	7,029.18	1,565,746.31
44	02-01-15	9,584.94	2,544.34	7,040.60	1,558,705.71
45	03-01-15	9,584.94	2,532.90	7,052.04	1,551,653.67
46	04-01-15	9,584.94	2,521.44	7,063.50	1,544,590.17
47	05-01-15	9,584.94	2,509.96	7,074.98	1,537,515.19
48	06-01-15	9,584.94	2,498.46	7,086.48	1,530,428.71
49	07-01-15	9,584.94	2,486.95	7,097.99	1,523,330.72
50	08-01-15	9,584.94	2,475.41	7,109.53	1,516,221.19
51	09-01-15	9,584.94	2,463.86	7,121.08	1,509,100.11
52	10-01-15	9,584.94	2,452.29	7,132.65	1,501,967.46
53	11-01-15	9,584.94	2,440.70	7,144.24	1,494,823.22
54	12-01-15	9,584.94	2,429.09	7,155.85	1,487,667.37
2015	Totals	115,019.28	29,911.16	85,108.12	
55	01-01-16	9,584.94	2,417.46	7,167.48	1,480,499.89
56	02-01-16	9,584.94	2,405.81	7,179.13	1,473,320.76
57	03-01-16	9,584.94	2,394.15	7,190.79	1,466,129.97
58	04-01-16	9,584.94	2,382.46	7,202.48	1,458,927.49
59	05-01-16	9,584.94	2,370.76	7,214.18	1,451,713.31
60	06-01-16	9,584.94	2,359.03	7,225.91	1,444,487.40
61	07-01-16	9,584.94	2,347.29	7,237.65	1,437,249.75
62	08-01-16	9,584.94	2,335.53	7,249.41	1,430,000.34
63	09-01-16	9,584.94	2,323.75	7,261.19	1,422,739.15
64	10-01-16	9,584.94	2,311.95	7,272.99	1,415,466.16
65	11-01-16	9,584.94	2,300.13	7,284.81	1,408,181.35
66	12-01-16	9,584.94	2,288.29	7,296.65	1,400,884.70
2016	Totals	115,019.28	28,236.61	86,782.67	
67	01-01-17	9,584.94	2,276.44	7,308.50	1,393,576.20
68	02-01-17	9,584.94	2,264.56	7,320.38	1,386,255.82

STATE OF MISSISSIPPI

DEPARTMENT OF HEALTH

Amortization Schedule

Monday April 18 2011 1:32 PM

Program: Drinking Water Improvements
 Project: City of Clinton
 Loan/Grant: DWI-H280088-02-2; DWI-L250003-02-2

Compound Period: Monthly
 Nominal Annual Rate: 1.95000
 Loan Amount: 1,857,928.00
 No. of Payments: 233

	Date	Payment	Interest	Principal	Balance
69	03-01-17	9,584.94	2,252.67	7,332.27	1,378,923.55
70	04-01-17	9,584.94	2,240.75	7,344.19	1,371,579.36
71	05-01-17	9,584.94	2,228.82	7,356.12	1,364,223.24
72	06-01-17	9,584.94	2,216.86	7,368.08	1,356,855.16
73	07-01-17	9,584.94	2,204.89	7,380.05	1,349,475.11
74	08-01-17	9,584.94	2,192.90	7,392.04	1,342,083.07
75	09-01-17	9,584.94	2,180.88	7,404.06	1,334,679.01
76	10-01-17	9,584.94	2,168.85	7,416.09	1,327,262.92
77	11-01-17	9,584.94	2,156.80	7,428.14	1,319,834.78
78	12-01-17	9,584.94	2,144.73	7,440.21	1,312,394.57
2017	Totals	115,019.28	26,529.15	88,490.13	
79	01-01-18	9,584.94	2,132.64	7,452.30	1,304,942.27
80	02-01-18	9,584.94	2,120.53	7,464.41	1,297,477.86
81	03-01-18	9,584.94	2,108.40	7,476.54	1,290,001.32
	04-01-18	9,584.94	2,096.25	7,488.69	1,282,512.63
83	05-01-18	9,584.94	2,084.08	7,500.86	1,275,011.77
84	06-01-18	9,584.94	2,071.89	7,513.05	1,267,498.72
85	07-01-18	9,584.94	2,059.69	7,525.25	1,259,973.47
86	08-01-18	9,584.94	2,047.46	7,537.48	1,252,435.99
87	09-01-18	9,584.94	2,035.21	7,549.73	1,244,886.26
88	10-01-18	9,584.94	2,022.94	7,562.00	1,237,324.26
89	11-01-18	9,584.94	2,010.65	7,574.29	1,229,749.97
90	12-01-18	9,584.94	1,998.34	7,586.60	1,222,163.37
2018	Totals	115,019.28	24,788.08	90,231.20	
91	01-01-19	9,584.94	1,986.02	7,598.92	1,214,564.45
92	02-01-19	9,584.94	1,973.67	7,611.27	1,206,953.18
93	03-01-19	9,584.94	1,961.30	7,623.64	1,199,329.54
94	04-01-19	9,584.94	1,948.91	7,636.03	1,191,693.51
95	05-01-19	9,584.94	1,936.50	7,648.44	1,184,045.07
96	06-01-19	9,584.94	1,924.07	7,660.87	1,176,384.20
97	07-01-19	9,584.94	1,911.62	7,673.32	1,168,710.88
98	08-01-19	9,584.94	1,899.16	7,685.78	1,161,025.10
99	09-01-19	9,584.94	1,886.67	7,698.27	1,153,326.83
100	10-01-19	9,584.94	1,874.16	7,710.78	1,145,616.05
101	11-01-19	9,584.94	1,861.63	7,723.31	1,137,892.74
102	12-01-19	9,584.94	1,849.08	7,735.86	1,130,156.88
9	Totals	115,019.28	23,012.79	92,006.49	

STATE OF MISSISSIPPI

DEPARTMENT OF HEALTH

Amortization Schedule

Monday April 18 2011 1:32 PM

Program: Drinking Water Improvements
 Project: City of Clinton
 Loan/Grant: DWI-H280088-02-2; DWI-L250003-02-2

Compound Period: Monthly
 Nominal Annual Rate: 1.95000
 Loan Amount: 1,857,928.00
 No. of Payments: 233

	Date	Payment	Interest	Principal	Balance
103	01-01-20	9,584.94	1,836.50	7,748.44	1,122,408.44
104	02-01-20	9,584.94	1,823.91	7,761.03	1,114,647.41
105	03-01-20	9,584.94	1,811.30	7,773.64	1,106,873.77
106	04-01-20	9,584.94	1,798.67	7,786.27	1,099,087.50
107	05-01-20	9,584.94	1,786.02	7,798.92	1,091,288.58
108	06-01-20	9,584.94	1,773.34	7,811.60	1,083,476.98
109	07-01-20	9,584.94	1,760.65	7,824.29	1,075,652.69
110	08-01-20	9,584.94	1,747.94	7,837.00	1,067,815.69
111	09-01-20	9,584.94	1,735.20	7,849.74	1,059,965.95
112	10-01-20	9,584.94	1,722.44	7,862.50	1,052,103.45
113	11-01-20	9,584.94	1,709.67	7,875.27	1,044,228.18
114	12-01-20	9,584.94	1,696.87	7,888.07	1,036,340.11
2020	Totals	115,019.28	21,202.51	93,816.77	
115	01-01-21	9,584.94	1,684.05	7,900.89	1,028,439.22
	02-01-21	9,584.94	1,671.21	7,913.73	1,020,525.49
117	03-01-21	9,584.94	1,658.35	7,926.59	1,012,598.90
118	04-01-21	9,584.94	1,645.47	7,939.47	1,004,659.43
119	05-01-21	9,584.94	1,632.57	7,952.37	996,707.06
120	06-01-21	9,584.94	1,619.65	7,965.29	988,741.77
121	07-01-21	9,584.94	1,606.71	7,978.23	980,763.54
122	08-01-21	9,584.94	1,593.74	7,991.20	972,772.34
123	09-01-21	9,584.94	1,580.76	8,004.18	964,768.16
124	10-01-21	9,584.94	1,567.75	8,017.19	956,750.97
125	11-01-21	9,584.94	1,554.72	8,030.22	948,720.75
126	12-01-21	9,584.94	1,541.67	8,043.27	940,677.48
2021	Totals	115,019.28	19,356.65	95,662.63	
127	01-01-22	9,584.94	1,528.60	8,056.34	932,621.14
128	02-01-22	9,584.94	1,515.51	8,069.43	924,551.71
129	03-01-22	9,584.94	1,502.40	8,082.54	916,469.17
130	04-01-22	9,584.94	1,489.26	8,095.68	908,373.49
131	05-01-22	9,584.94	1,476.11	8,108.83	900,264.66
132	06-01-22	9,584.94	1,462.93	8,122.01	892,142.65
133	07-01-22	9,584.94	1,449.73	8,135.21	884,007.44
134	08-01-22	9,584.94	1,436.51	8,148.43	875,859.01
135	09-01-22	9,584.94	1,423.27	8,161.67	867,697.34
136	10-01-22	9,584.94	1,410.01	8,174.93	859,522.41
137	11-01-22	9,584.94	1,396.72	8,188.22	851,334.19
	12-01-22	9,584.94	1,383.42	8,201.52	843,132.67

STATE OF MISSISSIPPI

DEPARTMENT OF HEALTH

Amortization Schedule

Monday April 18 2011 1:32 PM

Program: Drinking Water Improvements
 Project: City of Clinton
 Loan/Grant: DWI-H280088-02-2; DWI-L250003-02-2

Compound Period: Monthly
 Nominal Annual Rate: 1.95000
 Loan Amount: 1,857,928.00
 No. of Payments: 233

	Date	Payment	Interest	Principal	Balance
2022	Totals	115,019.28	17,474.47	97,544.81	
139	01-01-23	9,584.94	1,370.09	8,214.85	834,917.82
140	02-01-23	9,584.94	1,356.74	8,228.20	826,689.62
141	03-01-23	9,584.94	1,343.37	8,241.57	818,448.05
142	04-01-23	9,584.94	1,329.98	8,254.96	810,193.09
143	05-01-23	9,584.94	1,316.56	8,268.38	801,924.71
144	06-01-23	9,584.94	1,303.13	8,281.81	793,642.90
145	07-01-23	9,584.94	1,289.67	8,295.27	785,347.63
146	08-01-23	9,584.94	1,276.19	8,308.75	777,038.88
147	09-01-23	9,584.94	1,262.69	8,322.25	768,716.63
148	10-01-23	9,584.94	1,249.16	8,335.78	760,380.85
149	11-01-23	9,584.94	1,235.62	8,349.32	752,031.53
150	12-01-23	9,584.94	1,222.05	8,362.89	743,668.64
2023	Totals	115,019.28	15,555.25	99,464.03	
	01-01-24	9,584.94	1,208.46	8,376.48	735,292.16
152	02-01-24	9,584.94	1,194.85	8,390.09	726,902.07
153	03-01-24	9,584.94	1,181.22	8,403.72	718,498.35
154	04-01-24	9,584.94	1,167.56	8,417.38	710,080.97
155	05-01-24	9,584.94	1,153.88	8,431.06	701,649.91
156	06-01-24	9,584.94	1,140.18	8,444.76	693,205.15
157	07-01-24	9,584.94	1,126.46	8,458.48	684,746.67
158	08-01-24	9,584.94	1,112.71	8,472.23	676,274.44
159	09-01-24	9,584.94	1,098.95	8,485.99	667,788.45
160	10-01-24	9,584.94	1,085.16	8,499.78	659,288.67
161	11-01-24	9,584.94	1,071.34	8,513.60	650,775.07
162	12-01-24	9,584.94	1,057.51	8,527.43	642,247.64
2024	Totals	115,019.28	13,598.28	101,421.00	
163	01-01-25	9,584.94	1,043.65	8,541.29	633,706.35
164	02-01-25	9,584.94	1,029.77	8,555.17	625,151.18
165	03-01-25	9,584.94	1,015.87	8,569.07	616,582.11
166	04-01-25	9,584.94	1,001.95	8,582.99	607,999.12
167	05-01-25	9,584.94	988.00	8,596.94	599,402.18
168	06-01-25	9,584.94	974.03	8,610.91	590,791.27
169	07-01-25	9,584.94	960.04	8,624.90	582,166.37
170	08-01-25	9,584.94	946.02	8,638.92	573,527.45
171	09-01-25	9,584.94	931.98	8,652.96	564,874.49
172	10-01-25	9,584.94	917.92	8,667.02	556,207.47
	11-01-25	9,584.94	903.84	8,681.10	547,526.37

STATE OF MISSISSIPPI
DEPARTMENT OF HEALTH

Amortization Schedule

Monday April 18 2011 1:32 PM

Program: Drinking Water Improvements
Project: City of Clinton
Loan/Grant: DWI-H280088-02-2; DWI-L250003-02-2

Compound Period: Monthly
Nominal Annual Rate: 1.95000
Loan Amount: 1,857,928.00
No. of Payments: 233

	Date	Payment	Interest	Principal	Balance
174	12-01-25	9,584.94	889.73	8,695.21	538,831.16
2025	Totals	115,019.28	11,602.80	103,416.48	
175	01-01-26	9,584.94	875.60	8,709.34	530,121.82
176	02-01-26	9,584.94	861.45	8,723.49	521,398.33
177	03-01-26	9,584.94	847.27	8,737.67	512,660.66
178	04-01-26	9,584.94	833.07	8,751.87	503,908.79
179	05-01-26	9,584.94	818.85	8,766.09	495,142.70
180	06-01-26	9,584.94	804.61	8,780.33	486,362.37
181	07-01-26	9,584.94	790.34	8,794.60	477,567.77
182	08-01-26	9,584.94	776.05	8,808.89	468,758.88
183	09-01-26	9,584.94	761.73	8,823.21	459,935.67
184	10-01-26	9,584.94	747.40	8,837.54	451,098.13
185	11-01-26	9,584.94	733.03	8,851.91	442,246.22
186	12-01-26	9,584.94	718.65	8,866.29	433,379.93
2026	Totals	115,019.28	9,568.05	105,451.23	
187	01-01-27	9,584.94	704.24	8,880.70	424,499.23
188	02-01-27	9,584.94	689.81	8,895.13	415,604.10
189	03-01-27	9,584.94	675.36	8,909.58	406,694.52
190	04-01-27	9,584.94	660.88	8,924.06	397,770.46
191	05-01-27	9,584.94	646.38	8,938.56	388,831.90
192	06-01-27	9,584.94	631.85	8,953.09	379,878.81
193	07-01-27	9,584.94	617.30	8,967.64	370,911.17
194	08-01-27	9,584.94	602.73	8,982.21	361,928.96
195	09-01-27	9,584.94	588.13	8,996.81	352,932.15
196	10-01-27	9,584.94	573.51	9,011.43	343,920.72
197	11-01-27	9,584.94	558.87	9,026.07	334,894.65
198	12-01-27	9,584.94	544.20	9,040.74	325,853.91
2027	Totals	115,019.28	7,493.26	107,526.02	
199	01-01-28	9,584.94	529.51	9,055.43	316,798.48
200	02-01-28	9,584.94	514.80	9,070.14	307,728.34
201	03-01-28	9,584.94	500.06	9,084.88	298,643.46
202	04-01-28	9,584.94	485.30	9,099.64	289,543.82
203	05-01-28	9,584.94	470.51	9,114.43	280,429.39
204	06-01-28	9,584.94	455.70	9,129.24	271,300.15
205	07-01-28	9,584.94	440.86	9,144.08	262,156.07
206	08-01-28	9,584.94	426.00	9,158.94	252,997.13
	09-01-28	9,584.94	411.12	9,173.82	243,823.31

STATE OF MISSISSIPPI

DEPARTMENT OF HEALTH

Amortization Schedule

Monday April 18 2011 1:32 PM

Program: Drinking Water Improvements
 Project: City of Clinton
 Loan/Grant: DWI-H280088-02-2; DWI-L250003-02-2

Compound Period: Monthly
 Nominal Annual Rate: 1.95000
 Loan Amount: 1,857,928.00
 No. of Payments: 233

	Date	Payment	Interest	Principal	Balance
208	10-01-28	9,584.94	396.21	9,188.73	234,634.58
209	11-01-28	9,584.94	381.28	9,203.66	225,430.92
210	12-01-28	9,584.94	366.33	9,218.61	216,212.31
2028	Totals	115,019.28	5,377.68	109,641.60	
211	01-01-29	9,584.94	351.35	9,233.59	206,978.72
212	02-01-29	9,584.94	336.34	9,248.60	197,730.12
213	03-01-29	9,584.94	321.31	9,263.63	188,466.49
214	04-01-29	9,584.94	306.26	9,278.68	179,187.81
215	05-01-29	9,584.94	291.18	9,293.76	169,894.05
216	06-01-29	9,584.94	276.08	9,308.86	160,585.19
217	07-01-29	9,584.94	260.95	9,323.99	151,261.20
218	08-01-29	9,584.94	245.80	9,339.14	141,922.06
219	09-01-29	9,584.94	230.62	9,354.32	132,567.74
220	10-01-29	9,584.94	215.42	9,369.52	123,198.22
221	11-01-29	9,584.94	200.20	9,384.74	113,813.48
222	12-01-29	9,584.94	184.95	9,399.99	104,413.49
2029	Totals	115,019.28	3,220.46	111,798.82	
223	01-01-30	9,584.94	169.67	9,415.27	94,998.22
224	02-01-30	9,584.94	154.37	9,430.57	85,567.65
225	03-01-30	9,584.94	139.05	9,445.89	76,121.76
226	04-01-30	9,584.94	123.70	9,461.24	66,660.52
227	05-01-30	9,584.94	108.32	9,476.62	57,183.90
228	06-01-30	9,584.94	92.92	9,492.02	47,691.88
229	07-01-30	9,584.94	77.50	9,507.44	38,184.44
230	08-01-30	9,584.94	62.05	9,522.89	28,661.55
231	09-01-30	9,584.94	46.58	9,538.36	19,123.19
232	10-01-30	9,584.94	31.08	9,553.86	9,569.33
233	11-01-30	9,584.94	15.61	9,569.33	0.00
2030	Totals	105,434.34	1,020.85	104,413.49	
Grand Total:		2,233,291.02	375,363.02	1,857,928.00	

ORDER: AUTHORIZING THE USE OF ELEVEN (11) SPECIFIC UNMARKED
VEHICLES IN THE CLINTON POLICE DEPARTMENT IN ACCORDANCE
WITH SECTION 25-1-87 OF THE MISSISSIPPI CODE OF 1972
ANNOTATED

On motion made by Alderman xxxxxxxx, seconded by Alderman xxxxxxxx, with all members present voting aye, the Board adopted an Order authorizing the use of eleven (11) specific unmarked vehicles in the Clinton Police Department in accordance with Section 25-1-87 of the Mississippi Code of 1972 Annotated.

Vehicle #1 – 1999 Ford Taurus
VIN 1FAFP52U3XA162038

Vehicle #2 – 2000 Crown Victoria
VIN 2FAFP71W6YX112712

Vehicle #3 – 2000 Ford Taurus
VIN 1FAFP5222YA242513

Vehicle #4 – 2001 Crown Victoria
VIN 2FAFP71W0X180137

Vehicle #5 – 2002 Crown Victoria
VIN 2FAFP74W82X111211

Vehicle #6 – 2004 Chevrolet Impala
VIN 2G1WF52K149300607

Vehicle #7 – 2005 Dodge Ram
VIN 1D7HA18N25S233515

Vehicle #8 – 2005 Dodge Ram
VIN 1D7HA18N45S233616

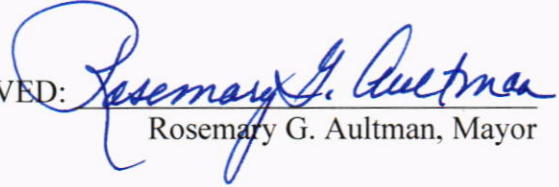
Vehicle #9 – 2005 Dodge Ram
VIN 1D7HU18N75J576513

Vehicle #10 – 2008 Ford F-250
VIN 1FTSW21538EC06490

Vehicle #11 - 2011 Chevrolet Impala
VIN 2G1WF5EK7B1268656

Approved this the 17th day of May, 2011, at the regular meeting of the Mayor and Board of Aldermen, of the City of Clinton, Mississippi

APPROVED:


Rosemary G. Aultman, Mayor

ATTEST:


Russell L. Wall, City Clerk





Reggie Bell
Executive Director

STATE FIRE ACADEMY

Division of the Mississippi Insurance Department
#1 FIRE ACADEMY U.S.A.
JACKSON, MISSISSIPPI 39208-9600
Phone: (601) 932-2444



Mike Chaney
Insurance Commissioner

Memorandum of Understanding

This Memorandum of Understanding is entered into between the Mississippi State Fire Academy (MSFA), #1 Fire Academy USA, Jackson, MS 39208 (Rankin County Mississippi) and the following Customer:

Customer Name: **Clinton Fire Department**
Address: **1234 Clinton - Raymond Rd**
City, State Zip: **Clinton, Ms 39056-5440**
Phone:
Fax: **601-925-1016**
Federal ID Number:
Contact Person/Title: **Barry Burnside, Fire Chief**
Email Address:

1. DATE(S) OF SERVICE: **June 2011**
2. LOCATION FOR SERVICE TO BE PERFORMED: **Clinton Fire Department**
3. DESCRIPTION OF SERVICE TO BE PROVIDED TO CUSTOMER: (Course Name and Description, Course Hours, Certificates Issued, Dorm/Meals/Books if Applicable, etc.)

Academy staff is to provide the field course curriculum of NFPA 1041 Fire Instructor I and II. The course will consist of 80 hours. The academy staff will test two (2) modules on two (2) separate dates which will be in the same format as on-campus programs. The course must be completed within six (6) months of the official start time set by the program manager at MSFA. Certificates will be issued to those successfully completing levels I and II. If the student does not successfully complete level II and does complete level I successfully, a certificate for Level I (48 hours) will be issued to that student.

All documents and curriculum provide to the Clinton Fire Department from the Mississippi Fire Academy is property of the Academy and cannot be duplicated for use outside of this delivery.

4: NUMBER OF STUDENTS THIS MEMORANDUM OF UNDERSTANDING APPLIES TO: 16

5. SERVICE FEE: **Total Cost: \$1,728.00**

Please note that if there is more than one department/organization entering this agreement for this course and the fee is split between the departments/organizations, the cost per student is based on the provided number of students. If the number of students from participating departments/organizations changes, the cost per student will change. However, the total of the fees will equal the total cost above and will be split between the participating departments/organizations.

If a Purchase Order is required for this service, indicate so and provide a purchase order number and/or copy of the purchase order.

If on Academy campus Monday through Thursday, are meals to be provided: ☐ Yes ☐ No ☒ N/A If Yes, indicate which meals are provided: Breakfast served 6:30 a.m. to 7:15 a.m Lunch served 11:30 a.m. to 12:45 p.m.

If on Academy campus Monday through Thursday, are dorm rooms requested: ☐ Yes Rooms ☐ No ☒ N/A

Note: An invoice will be submitted to the customer upon completion of the service. If a purchase order number is required from your company, please fill in the appropriate blocks on this form. Payment for services is due within thirty (30) days of completion of services and receipt of invoice.

6. MODIFICATION, AMENDMENT, OR TERMINATION OF AGREEMENT:

Modifications, amendments, or termination of the Memorandum of Understanding may be made upon mutual agreement of both parties but must be in writing and signed by both parties. This Agreement may be terminated by the Academy upon written notice to the Customer should the Academy be subject to governmental budgetary cuts or if personnel cuts limit the amount of available manpower necessary to execute the professional service

7. INSURANCE:

Customer represents that it will maintain workers' compensation insurance as prescribed by law that will insure to the benefit of the customer's personnel, as well as comprehensive general liability insurance. The Academy represents that it maintains workers compensation insurance for Academy personnel during the course of their official duties. Further, the Academy represents that as a state agency, the Mississippi Tort Claims Board views the organization as a sub-agency of the Mississippi Insurance Department. The Mississippi Insurance Department is certified by the Mississippi Tort Claims Board by participating in the Mississippi Tort Claims Fund as set forth in Chapter 46, Title 11, Mississippi Code 1972, as amended. This fund provides protection for tort claims against state employees and agencies subject to terms and limitations established by law while in the scope of their duties.

8. GOVERNING LAW:

This Agreement will be construed and governed in accordance with the laws of the State of Mississippi excluding its conflicts of laws provisions, and any litigation with respect thereto shall be brought in the courts of the State.

9. ACADEMY COURSE MATERIAL IS PROTECTED PROPERTY:

Academy course instructional material (lesson plans, power point presentations, handouts, skills check offs, etc.) shall be considered Protected Property belonging to the Academy. If part of this agreement is to provide the Customer this information for performance of this agreement, the Customer shall not copy, duplicate, transcribe, or any other form of duplication, in whole or in part, any course material submitted to them for use in fulfilling this Memorandum of Understanding, either directly or indirectly, for personal benefit, the benefit of another, or for future use. This statement of policy shall continue to be in effect whether or not the Agreement is terminated or has expired. Additionally, if any state property is utilized as part of this agreement, the Customer assures proper custody and care of the property (withstanding normal use and wear and tear).

10. ACKNOWLEDGEMENT OF MEMORANDUM OF UNDERSTANDING:

This constitutes the entire agreement of both parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings and agreements, written or oral, between the parties relating thereto. For the faithful performance of the terms of this agreement, the parties hereto have caused this Agreement to be executed by their undersigned authorized representatives.

PARTIES IN AGREEMENT:

Mississippi State Fire Academy

Authorized Personnel: Reggie Bell, Executive Director

Authorized Personnel: Pam Ladner, Office Director

Reggie Bell 5-5-11
Signature/Date

Pam Ladner 5-5-2011
Signature/Date

Academy Contact Regarding this Agreement:

Daniel Cross, Instructor Chief

Telephone: 601-932-2444

Email: dcross@msfa.state.ms.us

Customer: Clinton Fire Department

Authorized Personnel: Barry Burnside

Title: Fire Chief

Authorized Personnel:

Barry Burnside 5-18-11
Signature/Date

Kimberly Hill, City Rep 5-18-11
Signature/Date

Optional Signature/Date:

If a Purchase Order is required for this service, indicate so and provide a purchase order number and/or copy of the purchase order:

Customer Invoicing/Billing Address:

Contact Name:

Contact Phone Number:



Please fax to 601-932-2819 and mail the original signature document to the Fire Academy at the following address:
Pam Ladner, Office Director
State Fire Academy
#1 Fire Academy USA Jackson MS 39208-9600

RESOLUTION REQUESTING GOVERNOR TO PROCLAIM

A STATE OF EMERGENCY

WHEREAS, on April 15, 2011, the Board of Aldermen of the City of Clinton found that due to the impact (or imminent threat) of a tornado a condition of extreme peril to life and property did exist in Hinds County; and

WHEREAS, on April 15, 2011, in accordance with State Law 33-15-17(d) the Board of Aldermen declared that an emergency does exist throughout said city; and

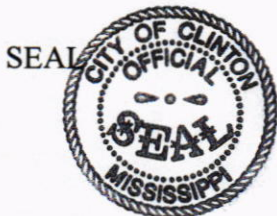
WHEREAS, it has now been found that local resources are unable to cope with the effects of said emergency;

NOW, THEREFORE, IT IS HEREBY DECLARED AND ORDERED that a copy of this declaration be forwarded to the Governor of Mississippi with the request that he proclaim the County (City) of Clinton to be in a State of Emergency; and

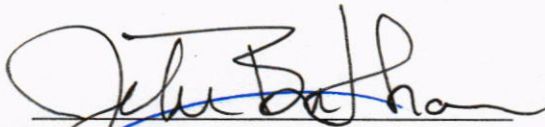
IT IS FURTHER RESOLVED that Rosemary G. Aultman, Mayor is thereby designated as the authorized representative of the County (City) of Clinton for the purpose of receipt, processing, and coordination of all inquiries and requirements necessary to obtain available State and Federal assistance.

Russell L. Wall
ATTEST: Russell L. Wall, City Clerk

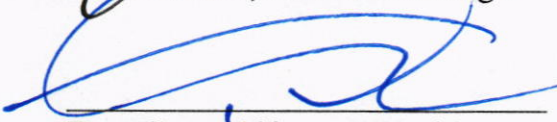
Rosemary G. Aultman
Rosemary G. Aultman, Mayor



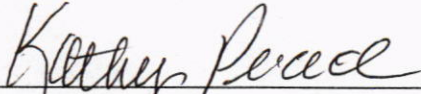
April 19, 2011
Date



Jehu Brabham, Alderman-at-Large



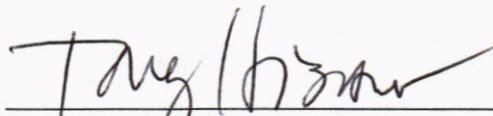
Tony Greer, Alderman, Ward 2



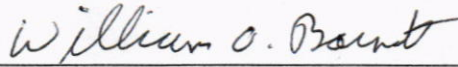
Kathy Peace, Alderwoman, Ward 4



Mike Cashion, Alderman, Ward 6



Tony Hisaw, Alderman, Ward 1



William O. Barnett, Alderman, Ward 3



Mike Morgan, Alderman, Ward 5

RESOLUTION REQUESTING GOVERNOR TO PROCLAIM

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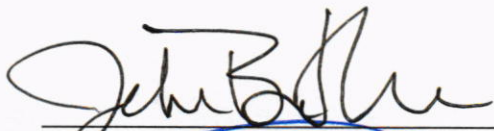
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Russell L. Wall
ATTEST: Russell L. Wall, City Clerk

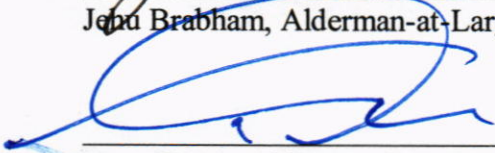
Rosemary G. Aultman
Rosemary G. Aultman, Mayor



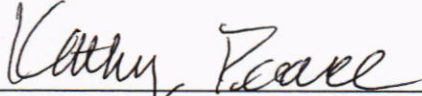
April 19, 2011
Date



John Brabham, Alderman-at-Large



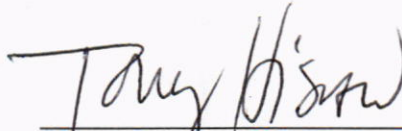
Tony Greer, Alderman, Ward 2



Kathy Peace, Alderwoman, Ward 4



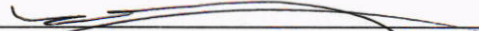
Mike Cashion, Alderman, Ward 6



Tony Hisaw, Alderman, Ward 1



William O. Barnett, Alderman, Ward 3



Mike Morgan, Alderman, Ward 5

ATTN: Shane



Mel Luna Saw Company

1250 Dewey Street
Jackson, MS 39209

601-353-8392 • Fax: 601-353-8394



☐ SERVICE ☐ INSTALL	☐ PICK UP ☐ DELIVER	PHONE 601-925-6101	REPAIR IN ☐ HOME ☐ SHOP	DATE OF ORDER 05/10/11
NAME City of Clinton				DATE PROMISED
ADDRESS Parks & Recreation				APARTMENT
CITY				DATE OF ORIG. INSTAL.
MAKE	MODEL	SERIAL NO.		☐ ESTIMATE ☐ WARRANTY ☐ CONTRACT ☐ CASH ☐ CHARGE ☐ C.O.D.
NATURE OF SERVICE REQUEST Price Quote				

QUAN.	PART NO.	DESCRIPTION	PRICE	AMOUNT
2	exmark	LZX34KC726	9547 ²³	19094 ⁴⁶
		72" Zero turn Mowers		
		34 Hp Kohler engines		

SERVICE PERFORMED Above prices good thru 2-29-12 State contract # 5-515-21361-11 Thank You!	TOTAL MATERIAL	19094 ⁴⁶
	TECHNICAL SERVICE TIME	
	TAX	exempt
	TOTAL	19094 ⁴⁶
DATE COMPLETED	CASH ON COMPLETION OF WORK	

INVOICE COPY

I hereby accept above performed service, and charges, as being satisfactory and acknowledge that equipment has been left in good condition.

Quoted By: **Michael Cox**

Technician

Customer's Signature



90 Glen Court ♦ Pearl River, Louisiana 70452
Phone: (985) 863-2991 ♦ Fax: (985) 863-2845
Website: omnipinnacle.com

Emergency Response Specialists

Sent via facsimile: 601-924-8532

May 10, 2011

Mr. Mike Parker
Public Works Director
City of Clinton
P.O. Box 156
Clinton, MS 39060

Dear Mr. Parker:

Due to the MDEQ revoking its emergency open burn site permits for the severe tornado events that occurred in April 2011, Omni Pinnacle is going to exercise its rights under the contract to give our 15 day written notice to the City to terminate our contract with the City of Clinton.

Please consider this our 15 day written notice as of May 10, 2011 to terminate our contract with the City of Clinton.

Upon the 15 days, we will invoice the City for the work completed.

Sincerely,

Brian Reine
Manager

STATE OF MISSISSIPPI

COUNTY OF HINDS

**FIRST ADDENDUM TO THE CONTRACT FOR DEBRIS REMOVAL
FOR APRIL 15TH-28TH, 2011 TORNADO/HIGH WIND DEBRIS**

This Addendum to the Contract is made and entered into on this the ____ day of May, 2011, by and between the City of Clinton, Mississippi, a municipal corporation (hereinafter "City"), and **Utility Constructors, Inc.**, (hereinafter "Contractor"). W I T N E S S E T H:

WHEREAS, on May 3, 2011, bids were received for the **Debris Removal Contract**; and

WHEREAS, on May 9, 2011, the parties entered into a contract for debris removal in Clinton related to the aftermath of a tornado and high wind events (hereinafter, the "Contract"); and,

WHEREAS, said contract was intended to allow Contractor to grind or burn the vegetative material in the event that MDEQ would provide a temporary permit for a site to allow either grinding or burning vegetative material; and,

WHEREAS, on May 11th, the MDEQ provided a copy of a temporary permit for the site located at 706 South Frontage Road in Clinton, MS (32.33874, -90.345197), on 2.5 acres within a 35 acre parcel owned by Trinity Partners, L.P.;

WHEREAS, said contract had specific language to keep *unauthorized* temporary debris staging sites and debris transfers from being utilized within the City limits, as outlined in section 2.1 (b).

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual benefits derived hereby, the receipt and sufficiency of all of which is hereby acknowledged by both the City and the Contractor, it is hereby agreed as follows:

1. Sub-Section (2.1b) of Section II, "Services of the Contractor", of the Contract is hereby amended to read as follows:

Contractor shall be fully responsible for final debris disposal. Contractor further shall submit proposed locations for debris disposal for approval by the City prior to hauling debris. Contractor shall provide the City with a copy of the approved permit of the disposal site. There will be no dumpsites, debris

staging areas, or debris transfers within the City limits, nor will debris be permanently or temporarily stored or placed at any other location within the City, unless a copy of the MDEQ permit is provided and the Public Works Director approves of the use of this approved permanent or temporary staging or grinding site. The Contractor's bond and/or retainage will not be released until after the staging site has been closed to the approval of MDEQ. The temporary permit for the debris staging site expires on November 11, 2011 for the proposed site. If the Contractor does not sufficiently dispose or remove the material from the temporary site in the approved environmental conditions set by MDEQ, the City may choose to utilize the contract retainage and/or performance bond to remediate the actions of the Contractor, so as to protect the City's reimbursement from FEMA. Contractor represents that it is familiar with all federal, state, and local ordinances, laws, rules, and regulations with respect to debris pick-up, transportation, and disposal, and that it will fully comply therewith at all times during the performance of work under this Contract.

Should there be any conflict between this Addendum and the Contract, the provisions of this Addendum shall control. All other provisions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Contract to be entered into on the date first above written.

"CONTRACTOR"

By: _____

Title _____

CITY OF CLINTON, MISSISSIPPI
By: Rosemary P. Aultman
Mayor Rosemary Aultman

ATTEST:

Quentin L. Wall
MUNICIPAL CLERK

