

CITY OF CLINTON
SPECIAL MEETING OF THE MAYOR AND BOARD OF ALDERMEN
TUESDAY JUNE 27, 2006 – 7:00 P.M.
CITY HALL – 300 JEFFERSON STREET

CALL TO ORDER - Mayor Rosemary Aultman

ROLL CALL - City Clerk Russell Wall

Present: Jehu Brabham - Alderman-At-Large
 Tony Hisaw - Alderman Ward 1
 Tony Greer - Alderman Ward 2
 Mike Bishop – Alderman Ward 3
 Mike Morgan - Alderman Ward 5
 William Barnett – Alderman Ward 6
 Ken Dreher - City Attorney

Absent: Phil Fisher – Alderman Ward 4

Upon presentation by Demery Grubbs, **MOTION** made by Alderman Greer and **SECONDED** by Alderman Bishop to approve a resolution to direct the sale and award of General Obligation Bonds, Series 2006 of the City of Clinton Mississippi, in the principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) for the City to be dated July 1, 2006 to Duncan Williams, Inc. **MOTION CARRIED UNANIMOUSLY** (Copy of the Resolution is attached as part of these Minutes)

Upon presentation by Demery Grubbs, **MOTION** made by Alderman Greer and **SECONDED** by Alderman Barnett to approve a resolution authorizing and directing the issuance of General Obligation Bonds, Series 2006 of the City of Clinton, Mississippi, in the principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) to raise money for the purpose of providing funds necessary to design, erect, equip and furnish municipal buildings, to purchase land therefore, if any; to design and erect a public library and purchase land, if any, equipment and books therefore; to construct and/or improve water works systems, water supply systems, sewage systems and sewerage disposal systems, and to purchase property, real and personal, therefore, if any; and other related improvements within the city. **MOTION CARRIED UNANIMOUSLY** (Copy of the Resolution is attached as part of these Minutes.)

Upon presentation by Rosemary Aultman, Mayor and Ken Dreher, City Attorney, **MOTION** made by Alderman Greer and **SECONDED** by Alderman Bishop to approve receipt of Deed of Donation from Sanders Family Trust for a portion of Hampstead Boulevard. **MOTION CARRIED UNANIMOUSLY** (Copy of the Deed is attached as part of these Minutes.)

MOTION was made by Alderman Brabham and **SECONDED** by Alderman Morgan to adjourn.
MOTION CARRIED UNANIMOUSLY

ADJOURN 7:15 P.M.

APPROVED: Rosemary L. Aultman
Rosemary Aultman, Mayor

June 28, 2006
Date

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

June 28, 2006
Date

SEAL

CITY OF CLINTON
SPECIAL MEETING OF THE MAYOR AND BOARD OF ALDERMEN
TUESDAY, JUNE 27, 2006 - 7:00 P.M.
CITY HALL - 300 JEFFERSON STREET
AGENDA

1. Welcome and Call to Order - Mayor Rosemary Aultman
2. Roll Call - City Clerk Russell Wall
3. Discussion/Action - Resolution to Direct the Sale and Award of General Obligation Bonds, Series 2006 of the City of Clinton Mississippi, in the Principal Amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) for the City to be Dated July 1, 2006 - Mayor Aultman *Rosemary Brabham*
4. Discussion/Action - Resolution Authorizing and Directing the Issuance of General Obligation Bonds, Series 2006 of the City of Clinton, Mississippi, in the Principal Amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) to Raise Money for the Purpose of Providing Funds Necessary to Design, Erect, Equip and Furnish Municipal Buildings, to Purchase Land Therefore, If Any; to Design and Erect a Public Library and Purchase Land, If Any, Equipment and Books Therefore; to Construct and/or Improve Water Works Systems, Water Supply Systems, Sewage Systems and Sewerage Disposal Systems, and to Purchase Property, Real and Personal, Therefore, If Any; and Other Related Improvements Within the City - Mayor Aultman *Rosemary Brabham*
5. Discussion/Action - Approve Deed of Donation from Sanders Family Trust for a portion of Hampstead Boulevard - City Attorney Ken Dreher
6. Motion to Adjourn

GOVERNING BODY

Rosemary Aultman - Mayor
Jehu Brabham Alderman-At-Large
Tony Hisaw - Alderman Ward 1
Tony Greer - Alderman Ward 2
Mike Bishop - Alderman Ward 3

Phil Fisher - Alderman Ward 4-19
Mike Morgan - Alderman Ward 5
William Barnett - Alderman Ward 6
City Attorney Ken Dreher
City Clerk Russell L. Wall

adjourn 7:15 pm.

*motion: Greer
second: Bishop
all eyes
motion: Greer
second: Barnett
all eyes*

*motion: Greer
second: Bishop
all eyes*

*motion: Brabham
second: Morgan*

**STATE OF MISSISSIPPI
COUNTY OF HINDS
CITY OF CLINTON**

This is to certify that I am the duly appointed, qualified and acting Clerk of the City of Clinton, Mississippi, organized and existing under and by virtue of the laws of the State of Mississippi; that, as said Clerk, I have full custody of the minutes and records of the Mayor and Board of Aldermen of the City of Clinton, Mississippi, and all other records of said City; that the foregoing pages constitute a true, complete and exact copy of all legal papers pertaining to the issuance of \$3,870,000 General Obligation Bonds, Series 2006, of the City of Clinton, dated July 1, 2006, including transcripts of records, resolutions, proofs of publication and any other facts pertaining to said Series 2006 Bond issue.

I do hereby further certify that there is no pending litigation now of record, nor is there any litigation, to my knowledge, threatened or contemplated, affecting in any manner, either directly or indirectly:

(1) The validity or legality of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) General Obligation Bonds, Series 2006, of the City of Clinton, Mississippi (the "City") dated July 1, 2006, (the "Bonds");

(2) The issuance, execution or delivery of the Bonds;

(3) The existence or boundaries of the City;

(4) The title of the officers of the City to their respective offices at the time of the issuance, execution and delivery of the Bonds; or

(5) The validity or legality of any provisions made or authorized for the payment of the principal of, premium, if any, and interest on the Bonds when the same shall become due or the proceedings and authority under which any such provision for payment was or is to be made.

IN TESTIMONY WHEREOF, I have hereunto set my hand and seal of office, this the 27th day of June, 2006.

Russell Wall

RUSSELL WALL, CITY CLERK

(SEAL)



BID FORM**\$3,870,000****GENERAL OBLIGATION BONDS, Series 2006
OF THE CITY OF CLINTON, MISSISSIPPI**

June 27, 2006

The Mayor and Board of Aldermen
of the City of Clinton, Mississippi
300 Jefferson Street (39056)
Post Office Box 156
Clinton, Mississippi 39060-0156

Ladies and Gentlemen:

We offer to pay \$3,870,000 plus accrued interest to the date of delivery for the Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) principal amount General Obligation Bonds, Series 2006, dated July 1, 2006 (the "Bonds"), of the City of Clinton, Mississippi (the "City"), as described in the Notice of Bond Sale dated June 6, 2006, maturing and bearing interest as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
(July 1 Maturity)		
2007	120,000	5.50
2008	125,000	↓
2009	130,000	
2010	140,000	5.625
2011	145,000	↓
2012	155,000	
2013	160,000	↓
2014	165,000	
2015	175,000	4.25
2016	185,000	4.00
2017	190,000	↓
2018	200,000	
2019	210,000	
2020	220,000	
2021	230,000	
2022	240,000	
2023	255,000	
2024	265,000	
2025	275,000	
2026	285,000	↓

gross interest cost to the City \$ 1,949,381.25

net interest cost \$ 1,949,381.25

(deducting premium of \$ Ø, if any)

and the average annual net interest rate from the date of the Bonds to their respective maturities to be 4.195827 %.

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

Both principal of and interest on the Bonds will be payable at a place to be designated by the undersigned, subject to the approval of the City.

A (cashier's check) (certified check) (bank exchange), issued or certified by a bank located in the State of Mississippi and payable to the order of the City of Clinton, Mississippi, in the amount of Seventy Seven Thousand Four Hundred Dollars (\$77,400) accompanies this proposal as a guarantee that we will carry out this contract and accept delivery of the Bonds if this proposal is accepted, which shall be returned to the undersigned (1) if this bid be not accepted or (2) if the City should fail to deliver the Bonds to the undersigned in accordance with the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Bonds.

This proposal is submitted subject to all the terms and conditions of the Notice of Bond Sale, dated June 6, 2006, which by reference is hereby made a part of this bid.

BIDDER: _____

BY: _____

TITLE: _____

Associates (if any):

M + F BANK

Return of good faith deposit hereby acknowledged.

DATE: _____

BY: _____

ACCEPTANCE

The above proposal accepted by resolution of the City of Clinton, Mississippi, and receipt of the within mentioned check is hereby acknowledged.

DATE: _____

BY: _____

The Mayor and Board of Aldermen (the "Governing Body") again took up for consideration the matter of the sale of the General Obligation Bonds, Series 2006, of the City of Clinton, Mississippi, in the principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) (the "Bonds") heretofore authorized by the Governing Body. The Clerk reported that pursuant to that certain resolution adopted by the Governing Body on the 6th day of June, 2006, he did cause to be published in *The Clarion Ledger*, a newspaper having general circulation in the City of Clinton, Mississippi, a Notice of Bond Sale in the form set forth in said resolution, stating that sealed proposals for the purchase of the Bonds would be received by the Governing Body at the Office of the City Clerk of the City of Clinton, in the City Hall in Clinton, Mississippi, until the hour of 4:00 o'clock p.m. Central Daylight Savings Time on Tuesday, the 27th day of June, 2006, and the Clerk presented to the Governing Body the newspaper publisher's affidavit making proof of publication of said notice; and that at the hour of 4:00 o'clock p.m. Central Daylight Savings Time on Tuesday, the 27th day of June, 2006, and pursuant to the Notice of Bond Sale, there had been filed with the Clerk, at or prior to said hour on said date, four (4) sealed proposal(s) for the purchase of the Bonds of the City of Clinton, Mississippi. Thereupon, the Clerk proceeded to open the four (4) sealed proposal(s) for the Bonds and to read the same aloud in the presence and hearing of the Governing Body and of the bidders and other persons assembled, which are summarized as follows:

<u>NAME OF BIDDER FOR THE BONDS</u>	<u>GROSS AMOUNT OF INTEREST</u>	<u>AVERAGE INTEREST RATE</u>
Duncan Williams, Inc.	\$1,949,381.25	4.195827
The Bankers Bank	\$1,974,545.00	4.249989
FTN Financial Capital Markets	\$1,980,930.00	4.263732
Stephens, Inc.	\$2,053,952.50	4.417843

Thereafter, at the scheduled meeting of the Governing Body at 7:00 o'clock p.m. Central Daylight Savings Time at the City Hall, the Clerk then and there presented said proposals to the Governing Body for discussion. Following the reading of the proposals, the Governing Body proceeded to consider them for the purpose of determining which was the best and most advantageous bid submitted. Whereupon, Alderman Sherr offered and moved the adoption of the following resolution:

**RESOLUTION TO DIRECT THE SALE AND AWARD OF
GENERAL OBLIGATION BONDS, SERIES 2006 OF THE
CITY OF CLINTON MISSISSIPPI, IN THE PRINCIPAL
AMOUNT OF THREE MILLION EIGHT HUNDRED
SEVENTY THOUSAND DOLLARS (\$3,870,000) FOR THE
CITY TO BE DATED JULY 1, 2006.**

WHEREAS, the Mayor and Board of Aldermen of the City of Clinton, Mississippi, (the "Governing Body" of the "City") on the 6th day of June, 2006, did adopt a certain resolution directing that General Obligation Bonds, Series 2006, in the principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) for the City to be offered for sale on sealed bids to be received by the Governing Body at the office of the City Clerk of the City in the

City Hall, in Clinton, Mississippi, until the hour of 4:00 o'clock p.m. Central Daylight Savings Time on Tuesday, the 27th day of June, 2006; and

WHEREAS, as directed by the said resolution and as required by Section 31-19-25, Mississippi Code of 1972, as amended, the Clerk did give notice of the sale of the Bonds by publication of Notice of Bond Sale, in the form set forth in said resolution in *The Clarion Ledger*, a newspaper published and having general circulation in the City, which notice was published in said newspaper three (3) times, on June 9, 16 and 23, 2006, the first publication having been made at least ten (10) days preceding the 27th day of June, 2006, as evidenced by the newspaper publisher's proof of publication thereof heretofore presented to the Governing Body and filed with the Clerk of the City; and

WHEREAS, the Governing Body did cause to be delivered to in excess of twenty-five (25) commercial and investment banking firms in Mississippi, Louisiana, Tennessee and elsewhere notice of the sale of the Bonds by mailing to them the Preliminary Official Statement regarding the Bonds to which was attached a Notice of Bond Sale in the form set forth in said resolution; and

WHEREAS, the Governing Body did receive the bids in the Clerk's office at the City Hall, in Clinton, Mississippi, at or before the hour of 4:00 o'clock p.m. Central Daylight Savings Time on Tuesday, the 27th day of June, 2006; and

WHEREAS, at which time and place four (4) sealed proposal(s) for the purchase of the Bonds were received; and

WHEREAS, after examination and consideration of the bids, the Governing Body does now find and determine that the best bid made for the Bonds which contained the lowest net interest cost was made by Duncan Williams, Inc., and that said proposal to purchase the Bonds was accompanied by a check payable to the City of Clinton, Mississippi in an amount of Seventy-Seven Thousand Four Hundred Dollars (\$77,400), issued or certified by a bank located in the State of Mississippi, as a guaranty that the bidder would carry out its contract and purchase the Bonds if its bid be accepted; and

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

SECTION 1. That the Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) General Obligation Bonds, Series 2006, of the City of Clinton, Mississippi, bearing date of July 1, 2006, shall be and the same are hereby awarded and sold to Duncan Williams, Inc., in accordance with the offer submitted to the Governing Body in words and figures as follows:

[Entire Winning Bid is inserted following this page.]

SECTION 2. That the Mayor and Clerk of the City be, and they are hereby, authorized and directed to endorse upon the aforesaid offer a suitable notation in evidence of the acceptance thereof for and on behalf of the City.

SECTION 3. That the good faith check filed by the successful bidder be retained by the City as a guaranty that such bidder will carry out the contract and purchase the Bonds, provided that if such successful bidder fails to purchase the Bonds pursuant to its bid and contract, the amount of such good faith check for the Bonds of the City shall be retained by the City and shall be paid into the treasury of the City as liquidated damages for such failure.

SECTION 4. That the Governing Body of the City hereafter, by proper resolution, shall provide for the preparation, execution, and delivery of the Bonds in accordance with the terms of the aforesaid contract.

SECTION 5. That the Clerk shall return each good faith check to each unsuccessful bidder upon receiving an executed receipt of such bidder acknowledging receipt of the return of each good faith check.

Alderman Bishop seconded the motion to adopt the foregoing resolution after the same had been read and considered section by section, and, being put to a roll call vote, the result was as follows:

Alderman Jehu W. Brabham	voted: <u>aye</u>
Alderman Tony Hisaw	voted: <u>aye</u>
Alderman Tony Greer	voted: <u>aye</u>
Alderman Mike Bishop	voted: <u>aye</u>
Alderman Phil Fisher	voted: <u>disent</u>
Alderman Mike Morgan	voted: <u>aye</u>
Alderman Bill Barnett	voted: <u>aye</u>

The motion having received the foregoing vote of the Governing Body, the Mayor declared the motion carried and the resolution adopted this the 27th day of June, 2006.

CITY OF CLINTON, MISSISSIPPI

By: Rosemary G. Aultman
Rosemary G. Aultman, Mayor

ATTEST:

Russell Wall
Russell Wall, City Clerk

The Mayor and Board of Aldermen of the City of Clinton, Mississippi, took up for consideration the matter of the issuance of General Obligation Bonds, Series 2006 of the City of Clinton, Mississippi, in the principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000). After a discussion of the subject, Alderman Greer offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2006 OF THE CITY OF CLINTON, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF THREE MILLION EIGHT HUNDRED SEVENTY THOUSAND DOLLARS (\$3,870,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS NECESSARY TO DESIGN, ERECT, EQUIP AND FURNISH MUNICIPAL BUILDINGS, TO PURCHASE LAND THEREFOR, IF ANY; TO DESIGN AND ERECT A PUBLIC LIBRARY AND PURCHASE LAND, IF ANY, EQUIPMENT AND BOOKS THEREFOR; TO CONSTRUCT AND/OR IMPROVE WATER WORKS SYSTEMS, WATER SUPPLY SYSTEMS, SEWAGE SYSTEMS AND SEWERAGE DISPOSAL SYSTEMS, AND TO PURCHASE PROPERTY, REAL AND PERSONAL, THEREFOR, IF ANY; AND OTHER RELATED IMPROVEMENTS WITHIN THE CITY.

WHEREAS, the Mayor and Board of Aldermen of the City of Clinton, Mississippi, acting for and on behalf of the City of Clinton, Mississippi, hereby finds, determines, adjudicates and declares as follows:

1. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" shall mean Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended.

"Bond" or "Bonds" shall mean the Bonds issued pursuant to this resolution.

"Bond Counsel" shall mean the law firm of Harris & Geno, PLLC, Ridgeland, Mississippi.

"Bond Resolution" shall mean this resolution.

"Bond Year" shall mean the period commencing on the day and month of the date of the Bond of any year and ending on the last day of the month proceeding such day and month of the following year.

"2006 Bond Fund" shall mean the fund of the City provided for in Section 14 hereof.

"City" shall mean the City of Clinton, Mississippi.

"Clerk" shall mean the City Clerk of the City.

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"2006 Construction Fund" shall mean the fund of the City, created under Section 13 hereof, into which a portion of the principal proceeds of the Bonds shall be deposited.

"Governing Body" shall mean the Mayor and Board of Aldermen of the City.

"Mayor" shall mean the Mayor of the City.

"Paying Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body to make payments of the principal of and interest on the Bonds, and to serve as registrar and transfer agent for the registration of owners of the Bonds, and the authentication agent to authenticate the initial delivery or re-issuance of the Bonds and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization and a governmental unit or agency or political subdivision thereof.

"Project" shall mean providing funds necessary to design, erect, equip and furnish municipal buildings, to purchase land therefore, if any; to design and erect a public library and purchase land, if any, equipment and books therefore; to construct and/or improve water works systems, water supply systems, sewage systems and sewerage disposal systems, and to purchase property, real and personal, therefore, if any; and other related improvements within the City.

"Purchaser" shall mean the successful bidder for the Bonds.

"Record Date" shall mean, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the 15th day of the month preceding the maturity date thereof.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the City maintained by the Paying Agent.

"Subsection 148(f)" shall mean Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" shall mean any regulations promulgated from time to time pursuant to Subsection 148(f) of the Code.

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

2. The City is authorized under the provisions of the Act to issue the Bonds for the purpose of providing the necessary funds to pay the cost of the Project. It is in the public interest

to issue the Bonds for such purposes and the public convenience and necessity requires that the Bonds be issued for such purposes.

3. The estimated costs of the Project and the cost of issuance of the Bonds herein directed to be issued is Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000).

4. The assessed value of taxable property within the City, according to the last completed assessment for taxation is One Hundred Fifty-Nine Million Six Hundred Ninety-One Thousand Eight Hundred Fifty Dollars (\$159,691,850); the City has outstanding fixed bonded indebtedness (non-revenue producing debt) subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended, in the amount of One Million Five Hundred Fifty Thousand Dollars (\$1,550,000) and outstanding fixed bonded and floating (revenue producing debt) indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972 (which amount includes the fixed bonded indebtedness set forth above subject to the 15% debt limit), in the amount of Three Million Sixty-Five Thousand Dollars (\$3,065,000). The issuance of the Bonds will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City.

5. The Bonds are not private activity bonds as such term is defined in Section 141 of the Internal Revenue Code of 1986 (the "Code").

6. The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance, and provides that the tax-exempt status of interest on obligations such as the Bonds is contingent on a number of future actions by the City. It is necessary to make certain covenants pertaining to the exemption of the interest on the Bonds from federal income taxes since such exemption may depend, in part, upon continuing compliance by the City with certain requirements of the Code.

7. The City is a governmental unit with general taxing power, no obligation which is a part of the issue of the Bonds is a private activity bond and 95 percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City.

8. It has now become necessary to make provision for the preparation, execution and issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY, ACTING FOR AND ON BEHALF OF THE CITY, AS FOLLOWS:

SECTION 1. Contract with Purchasers. In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 2. Authorization. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) to raise money for the purpose of providing funds necessary to design, erect, equip and furnish municipal buildings, to purchase land therefore, if any; to design and

erect a public library and purchase land, if any, equipment and books therefore; to construct and/or improve water works systems, water supply systems, sewage systems and sewerage disposal systems, and to purchase property, real and personal, therefore, if any; and other related improvements within the City and to pay for the expenses of issuing the Bonds.

SECTION 3. Description of Bonds. (a) Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America.

(b) The Bonds shall be registered as to both principal and interest; shall be dated July 1, 2006; shall be issued or reissued in denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one upward in the order of issuance; shall bear interest from the date thereof at the rate or rates hereinafter specified, which interest shall be payable commencing on July 1, 2007 and semiannually on each January 1 and July 1 of each year thereafter; and shall mature and become due and payable, with option of prior payment as set forth below, on July 1 in the years and in the principal amounts as follows:

<u>YEAR</u> <u>(July 1 Maturity)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2007	120,000	
2008	125,000	
2009	130,000	
2010	140,000	
2011	145,000	
2012	155,000	
2013	160,000	
2014	165,000	
2015	175,000	
2016	185,000	
2017	190,000	
2018	200,000	
2019	210,000	
2020	220,000	
2021	230,000	
2022	240,000	
2023	255,000	
2024	265,000	
2025	275,000	
2026	285,000	

(c) Bonds maturing on July 1, 2017 and thereafter, are subject to redemption prior to their respective maturities at the election of the City on July 1, 2016 or on the first day of any month thereafter, either as a whole or in part (in inverse order of maturity and by lot if less than all of the maturity is to be redeemed), upon giving not less than thirty (30) days prior written notice, at the principal amount thereof plus accrued and unpaid interest to the date of redemption. Notice of the call for redemption shall be mailed to all Registered Owners of the Bonds not less than thirty (30) days prior to the date of redemption. The Bonds shall cease to bear interest from and after the date of redemption as set forth in the Notice of Redemption.

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

(b) The Bonds shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the facsimile seal of the City imprinted or affixed thereto; provided, however, all signatures and seals appearing on the Bonds, other than the signature of an authorized officer of the Paying Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the City whose signature or a facsimile thereof appearing on the Bonds shall cease to be such official before the delivery or re-issuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or re-issuance.

(c) The Bonds shall be delivered to the Purchaser upon payment of the purchase price therefore in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the Bonds, and the final, unqualified approving opinion of Bond Counsel, which opinion shall be imprinted on the reverse of each of the Bonds.

(d) Prior to or simultaneously with the delivery by the Paying Agent of the Bonds, the City shall file with the Paying Agent:

- (i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and
- (ii) an authorization to the Paying Agent, signed by the Mayor, to authenticate and deliver the Bonds to the Purchaser.

(e) The Paying Agent shall authenticate the Bonds and deliver them to the Purchaser thereof upon payment of the purchase price of the Bonds to the City.

(f) Certificates, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the City to meet the reasonable transfer and re-issuance needs on the Bonds, may be printed and delivered to the Paying Agent in generally accepted format, and held by the Paying Agent until needed for transfer or re-issuance, whereupon the Paying Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder.

SECTION 5. The Paying Agent, Registrar, Authentication Agent. (a) The Paying Agent for the Bonds, which shall serve as paying agent, registrar, transfer and authentication agent for the Bonds, shall be designated following the sale of the Bonds and such designation will be subject to the negotiation of acceptable terms for the services of the Paying Agent.

(b) So long as any of the Bonds shall remain outstanding, the City shall maintain with the Paying Agent records for the registration and transfer of the Bonds. The Paying Agent is hereby appointed registrar for the Bonds, in which capacity the Paying Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, any Bond entitled to registration or transfer.

(c) The City shall pay or reimburse the Paying Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the City and the Paying Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Paying Agent, shall be made by the City on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) (i) The Paying Agent may at any time resign and be discharged of its duties and obligations as Paying Agent by giving at least sixty (60) days' written notice to the City, and may be removed as Paying Agent at any time by resolution of the Governing Body delivered to the Paying Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Paying Agent, and shall be transmitted to the Paying Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of a Paying Agent shall become effective until a successor Paying Agent has been appointed pursuant to this Bond Resolution.

(ii) Upon receiving notice of the resignation of a Paying Agent, the City shall promptly appoint a successor Paying Agent by resolution of the Governing Body. Any appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Paying Agent.

(iii) In the event of a change of the Paying Agent, the predecessor Paying Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Paying Agent, and the successor Paying Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all reasonable fees, advances and expenses of the retiring or removed Paying Agent shall be fully paid. Every predecessor Paying Agent shall deliver to its successor Paying Agent all records of account, registration, records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Paying Agent.

(iv) Any successor Paying Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

(v) Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Paying Agent and to the City an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

(vi) Should any transfer, assignment or instrument in writing be required by any successor Paying Agent from the City to more fully and certainly vest in such successor Paying Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Paying Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the City.

(vii) The City will provide any successor Paying Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the issuance of the Bonds.

(viii) All duties and obligations imposed hereby on the Paying Agent or successor Paying Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Bond Resolution.

(e) Any corporation or association into which a Paying Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor

Paying Agent shall be satisfactory to the City and eligible under the provisions of Section 5(d)(iv) hereof.

SECTION 6. Bond Form. The Bonds shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution:

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

THE CITY OF CLINTON, MISSISSIPPI

GENERAL OBLIGATION BOND
SERIES 2006

NO. _____

\$ _____

Rate of Interest

Maturity

Date of Original Issue

CUSIP

_____%

July 1, 2006

Registered Owner:

Principal Amount:

DOLLARS

The City of Clinton, Mississippi, located in Hinds County, State of Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the registered owner identified above, the principal amount identified above on the maturity date identified above, upon the presentation and surrender of this bond at the principal office of _____,

_____ or its successor, as paying agent (the "Paying Agent") for the General Obligation Bonds, Series 2006 of the City (the "Bonds"). Payment of the principal amount of this bond shall be made to the registered owner hereof who shall appear in the registration records of the City maintained by the Paying Agent, which will also serve as registrar, transfer and authentication agent, for the Bonds, as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above, commencing on July 1, 2007 and semiannually on each January 1 and July 1 of each year thereafter, until said principal sum is paid, to the registered owner hereof whose name shall appear in the registration records of the City maintained by the Paying Agent, as of the 15th day of the calendar month preceding the applicable interest payment date.

Payment of principal of and interest on this bond shall be made by check or draft mailed to such registered owner at the address as it appears on such registration records. The registered owner hereof may change such address by written notice to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying

Agent, such notice to be received by the Paying Agent not later than the 15th day of the calendar month preceding the applicable principal or interest payment date.

Bonds maturing on July 1, 2017 and thereafter, are subject to redemption prior to their respective maturities at the election of the City on July 1, 2016 or on the first day of any month thereafter, either as a whole or in part (in inverse order of maturity and by lot if less than all of the maturity is to be redeemed), upon giving not less than thirty (30) days prior written notice, at the principal amount thereof plus accrued and unpaid interest to the date of redemption. Notice of the call for redemption shall be mailed to all Registered Owners of the Bonds not less than thirty (30) days prior to the date of redemption. The Bonds shall cease to bear interest from and after the date of redemption as set forth in the Notice of Redemption.

This bond is one of a series of bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) to raise money for the purpose of providing funds necessary to design, erect, equip and furnish municipal buildings, to purchase land therefore, if any; to design and erect a public library and purchase land, if any, equipment and books therefore; to construct and/or improve water works systems, water supply systems, sewage systems and sewerage disposal systems, and to purchase property, real and personal, therefore, if any; and other related improvements within the City and to pay for the expenses of issuing the Bonds.

This bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including a resolution adopted June 27, 2006 (the "Bond Resolution").

The Bonds are registered as to both principal and interest, and are to be issued or reissued in denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity.

This bond may be transferred or exchanged by the registered owner hereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent, but only in the manner, subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this bond. Upon such transfer or exchange, a new bond or bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The City and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

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

This bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Paying Agent.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding general obligations of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this bond, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

IN WITNESS WHEREOF, the City has caused this bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the facsimile seal of the City, which said facsimile signatures said officials adopt as and for their own proper signatures, all as of the 1st day of July, 2006.

CITY OF CLINTON, MISSISSIPPI

BY: _____
MAYOR

COUNTERSIGNED:

CITY CLERK

(Facsimile Seal)

There shall be printed in the lower left portion on the face of the Bonds a registration and authentication certificate in substantially the following form:

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Bonds, Series 2006 of the City of Clinton, Mississippi.

As Paying Agent

BY: _____
AUTHORIZED OFFICER

Date of Registration and Authentication: _____

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

COUNTY OF HINDS

CITY OF CLINTON

I, the undersigned City Clerk of the City of Clinton, Mississippi, do hereby certify that the within bond has been duly registered by me as an obligation of said City pursuant to law in a book kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Hinds County, Mississippi, rendered on the _____ day of July, 2006.

CITY CLERK

(Facsimile Seal)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within bond and does hereby irrevocably constitute and appoint as Paying Agent to transfer the said bond on the records kept for registration thereof with full power and substitution in the premises.

Signature Guaranteed:

(Bank, Trust Company or Paying Agent)

(Authorized Officer)

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without any alteration whatever.

Date of Assignment:

**Insert Social Security
Number or Other Tax
Identification Number
of Assignee:**

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

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

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

SECTION 10. Registered Owner/Absolute Owner. (a) One Bond registered in the name of the purchaser may be issued in the full amount for each maturity. Ownership of the Bonds may be in the Purchaser until the initial Registered Owner has made timely payment for the Bonds and, upon request of the Purchaser within a reasonable time of the initial delivery of the Bonds, the Paying Agent shall re-register any such Bond upon its records in the name of the Registered Owner to be designated by the Purchaser in the event timely payment has not been made by the initial Registered Owner.

(b) Except as hereinabove provided, the Person in whose name any Bond shall be registered in the records of the City maintained by the Paying Agent may be deemed the absolute

owner thereof for all purposes, and payment of or on account of the principal of or interest on any Bond shall be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as provided herein. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

(b) In all cases in which the privilege of transferring Bonds is exercised, the Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution and shall be reimbursed by the Registered Owner or Transferee for any tax or governmental charge required in connection with such exchange or transfer but no other charge may be made to the Registered Owner for any exchange or registration of transfer of the Bonds.

SECTION 12. Sale of the Bonds. The Bonds are hereby sold and awarded to (herein called the "Purchaser") at and for a purchase price equal to \$3,870,000, plus premium in the amount of \$0.00, plus accrued interest on the Bonds from July 1, 2006, to the date of their delivery. The Mayor and City Clerk are hereby authorized and directed to deliver the Bonds to the Purchaser upon payment to the City of the aforesaid purchase price.

SECTION 13. 2006 Construction Fund. The major portion of the principal proceeds received upon the sale of the Bonds shall be deposited with a qualified depository of the City in a special fund designated the "2006 Construction Fund," which shall be used for payment of all costs of issuance and of constructing and otherwise acquiring the Project. Any amount remaining in the 2006 Construction Fund after completion of construction and acquisition of the Project and payment of all such expenses shall be transferred to the 2006 Bond Fund.

SECTION 14. 2006 Bond Fund. The City shall maintain with a qualified depository of the City a fund designated the "2006 Bond Fund" in the name of the City for the payment of principal of and interest on the Bonds and the payment of paying agents' fees in connection therewith. There shall be deposited into the 2006 Bond Fund as and when received:

1. accrued interest and premium, if any, received upon delivery of the Bonds;
2. the avails of any of the ad valorem taxes levied and collected for payment of the principal of and interest on the Bonds;
3. any income received from investment of monies in the 2006 Bond Fund; and

4. any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bonds, and which may be directed to be deposited into the 2006 Bond Fund, including any balance of Bond proceeds remaining in the 2006 Construction Fund after the purpose for which such Bonds were issued shall have been accomplished.

SECTION 15. Use of Proceeds. The purpose for which the Bonds will be issued is to provide funds necessary to design, erect, equip and furnish municipal buildings, to purchase land therefore, if any; to design and erect a public library and purchase land, if any, equipment and books therefore; to construct and/or improve water works systems, water supply systems, sewage systems and sewerage disposal systems, and to purchase property, real and personal, therefore, if any; and other related improvements within the City and to pay for the expenses of issuing the Bonds.

SECTION 16. Approval of Preliminary Official Statement. The Governing Body hereby acknowledges, approves and ratifies the actions heretofore taken by Bond Counsel employed in connection with the preparation and distribution of a Preliminary Official Statement dated June 6, 2006 (the "Preliminary Official Statement"), respecting the Bonds and such Preliminary Official Statement is hereby approved by the Governing Body on in the form attached hereto and made a part hereof. The Governing Body hereby authorizes and directs the Mayor to sign and deliver to Bond Counsel and the Underwriter, and the Underwriter to deliver to the purchasers of the Bonds, the Official Statement dated as of June 27, 2006, respecting the Bonds (the "Official Statement"). Such Official Statement shall be in substantially the same form as the aforesaid Preliminary Official Statement, with such changes therein and additions thereto as the Mayor shall determine to be necessary, desirable or appropriate to consummate the sale and issuance of the Bonds, the determination of the definitive form of such Official Statement by the Mayor to be conclusively established by his signature thereon.

SECTION 17. Payment of Bonds. (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof whose name shall appear in the registration records of the City maintained by the Paying Agent as of the Record Date.

(b) Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

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

SECTION 18. Validation. The Bonds will be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the issuance of the Bonds and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 19. Delay in Delivery. It is specifically provided, notwithstanding the dates set out in this Bond Resolution for the date of the Bonds and the payment dates for principal and interest, that in the event the delivery of the Bonds is delayed by a contest of the validation of the Bonds or otherwise and the initial Purchaser shall decline to take delivery of the Bonds, then the Bonds may be re-offered for sale if such validation contest is ruled in favor of issuance of the Bonds. In such event, all principal maturities may be adjusted so that such maturities will fall due in the same amounts and intervals as herein provided, but beginning one (1) year from the date of sale thereof, and continuing through the twentieth (20th) year from such actual date of the Bonds. The interest payments may also be adjusted accordingly, with interest payments due semiannually, commencing not more than one (1) year from such actual date of the Bonds. After the validation of the Bonds, no amendment, revision or supplement contemplated by this Section shall be cause for the re-submission of the proceedings for the issuance of the Bonds, as amended, revised or supplemented, to any further validation proceedings, it being the intent of this Bond Resolution that any such amendments, revisions or supplements be covered by the initial validation proceeding.

SECTION 20. Termination of Bond Resolution, Defeasance. (a) If the City shall pay or cause to be paid to the Registered Owners of the Bonds the principal of and interest to become due with respect thereto at the times and in the manner stipulated therein and herein, and if the City shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Bond Resolution expressed as to be kept, performed and observed by it or on its part and shall pay or cause to be paid to the Paying Agent all sums of money due or to become due according to the provisions hereof, then the rights of the Registered Owners under the Bond Resolution shall cease, terminate and be void, and thereupon the lien of this Bond Resolution shall be cancelled and discharged.

(b) Bonds for the payment or redemption of which sufficient moneys shall have been deposited with the Paying Agent (whether upon or prior to the maturity or the redemption date of such Bonds) with irrevocable instructions to apply such funds to such payment or redemption shall be deemed to be paid within the meaning of this Section; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given to the Registered Owners of all Bonds then outstanding as provided herein.

(c) The Bonds, or any of the Bonds, shall be deemed to be paid within the meaning of this Section and for all purposes of this Bond Resolution when (i) payment of the principal of such Bonds, plus accrued and unpaid interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (1) shall have been made or caused to be made in accordance with the terms thereof or (2) shall have been provided for by irrevocably depositing with the Paying Agent and irrevocably setting aside exclusively for such payment (a) cash in an amount sufficient to make all payments specified above, or (b) direct obligations of the United States of America, maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient to make all such payments, or (c)

any combination of cash and such obligations; and (ii) all necessary and proper fees, compensation and expenses of any Paying Agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for. At such time as the Bonds shall be deemed to be paid hereunder, such Bond shall no longer be secured by or entitled to the benefits of this Bond Resolution.

SECTION 21. Arbitrage Covenants; Rebate. (a) The City covenants and certifies to and for the benefit of the Registered Owners of the Bonds that it will neither take any action or omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Bonds, including amounts treated as proceeds, if any, which will cause the Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Code, and any regulations thereunder as such may be applicable to the Bonds, at the time of such action, investment or use.

(b) (i) The City shall take all actions necessary in order to comply with the requirements of paragraphs (2) and (3) of Subsection 148(f) of the Code in order that none of the Bonds shall be treated as an arbitrage bond pursuant to paragraph (1) of 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 Subsection 148(f) and the Subsection 148(f) Regulations, the making of any and all calculations, computations and filings required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations.

(ii) In order to effectuate the foregoing covenants, the City hereby covenants and certifies that: (A) prior to delivery of the Bonds, it shall have received written instructions from nationally recognized bond counsel with respect to specific actions which will, under Subsection 148(f) and such regulations as may have been promulgated prior to delivery of the Bonds, assure compliance with such covenants; and (B) the City shall comply with such instructions until the City shall have received from nationally recognized bond counsel written advice that continued compliance with such instructions is not necessary in order to avoid an adverse effect on the tax-exempt status of the Bonds or alternative written instructions with respect to certain actions which will assure compliance with the covenants set forth above, in which event the City shall thereafter comply with all such alternative instructions.

(iii) Based upon representations of the City set forth in Section 25 hereof, the Bonds are exempt from the Rebate Requirements set forth in Section 148(f) of the Code. In the event those representations are not true for any reason, the City shall establish a separate and special account of the City to be designated the "Bond Rebate Account" (the "Rebate Account"), into which the City shall deposit: on or before the 30th day following each Bond Year, an amount equal to the excess of all earnings on all nonpurpose investments (within the meaning of Subsection 148(f)) over the amount which would have been earned if such nonpurpose investments had been invested at a rate equal to the yield [computed in accordance with Subsection 148(f)] on the Bonds which amounts shall be credited to a fund designated the "Series 2006 Excess Income Fund" (the "Excess Income Fund"); and all amounts earned on amounts in the Rebate Account, which amounts shall be credited to a fund designated the "Series 2006 Rebate Account Earnings 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 Bonds 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 nonpurpose investments received during the period beginning on the date of delivery of the Bonds and ending on the date of computation, the City may, in its discretion, withdraw such excess from the Rebate Account and deposit the amount withdrawn into the Bond Fund or, if all principal of and interest on the Bonds 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 City may use the amount withdrawn for any purpose permitted under the applicable laws of the State.

(c) The City 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 Bonds 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 City shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Bonds in a manner or for a price which would cause any of the Bonds to be or become an arbitrage bond, within the meaning of Section 148 of the Code and all 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) The Mayor is hereby authorized to execute a "nonarbitrage and federal tax certificate" in connection with the sale and delivery of the Bonds, setting forth the reasonable expectations of the City with respect to the investment and use of proceeds of the Bonds and also setting forth certain covenants, stipulations and certifications with respect to the investment and expenditures of the proceeds of the Bonds, and the City shall comply with all certifications, stipulations and covenants set forth in such certificate.

SECTION 22. Bond Covenants. (a) The Bonds are not private activity bonds within the meaning of Section 141 of the Code.

(b) No more than 10% of the bond proceeds will be used (within the meaning of Section 141 of the Code), 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 bond proceeds will be used (within the meaning of Section 141 of the Code), directly or indirectly, will be used 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 bond proceeds will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to the governmental use (within the meaning of Section 141 of the Code) of such bond proceeds.

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

(f) In no event will the payment of the principal of or the interest on the Bonds be (under the terms of the Bond or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in the 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 City) in respect of property or borrowed money used or to be used for a private business use.

(g) The City 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 City, which (1) were or are to be sold at substantially the same time as the Bonds, (2) were or are to be sold at substantially the same interest rate as the interest rate of the Bonds, (3) were or are to be sold pursuant to a common plan of marketing as the marketing plan for the Bonds, and (4) are payable directly or indirectly by the City or from the source from which the Bonds are payable. The City covenants and certifies that there are no additional facts or circumstances which may further evidence that the Bonds are part of any other issue of obligations.

(h) The City covenants and certifies that no payment of principal of or interest on the Bonds 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 City represents, warrants and covenants that none of the bond proceeds 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 bond proceeds 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 Bonds 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 149(d) of the Code; (iv) investments in bonds 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.

(i) The City covenants and certifies that, notwithstanding any provision of this Bond Resolution or the rights of the City hereunder, the City will not take or permit to be taken on its behalf any action which would impair the exemption of interest on the Bonds 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.

SECTION 23. Continuing Reporting under Rule 15c2-12. The City hereby agrees in this Bond Resolution for the benefit of the holders and beneficial owners of the Bonds for so

long as it remains obligated to advance funds to pay the Bonds, that it will provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information vendors as hereinafter set forth. This information will be available to securities brokers and others who subscribe to receive the information from the vendors.

The City will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Official Statement used in connection with marketing the Bonds under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION," and "DEBT INFORMATION" and other financial information set forth in Appendices C and D of the Official Statement. The City will update and provide this information within six (6) months after the end of each fiscal year of the City ending in or after fiscal year 2006. The City will provide the updated information to each nationally recognized municipal securities information repository ("NRMSIR") and to any state information depository ("SID") that is designated by the State of Mississippi and approved by the staff of the United States Securities and Exchange Commission (the "SEC").

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

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by April 1 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change.

Anyone requesting information under the continuing disclosure requirements of Rule 15c2-12, as amended, should contact the City Clerk, City Hall, City of Clinton, Mississippi, 300 Jefferson Street (39056), Post Office Box 156, Clinton, Mississippi 39060-0156, Telephone: (601) 924-5462.

The City will also provide timely notices of certain events to certain information vendors. The City will provide notice of any of the following events with respect to the Bonds, if such event is material to a decision to purchase or sell Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes affecting the Bonds. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under the second, third and fourth paragraphs of this Section. The City will provide each notice described in this

paragraph to any SID and to either each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB").

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

The City has agreed to update information and to provide notices of material events only as described in this Section 23. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described herein. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

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

SECTION 24. Qualified Tax Exempt Obligation. The Bonds are hereby designated as Qualified Tax Exempt Obligations as such term is defined in Section 265(b) of the Code and the City reasonably expects that it will not issue in excess of Ten Million Dollars (\$10,000,000) in tax exempt obligations during calendar year 2006.

SECTION 25. Rebate. The City reasonably expects that it will not issue tax-exempt bonds in the aggregate exceeding \$5,000,000 during the calendar year 2006, and therefore, the proceeds of the Bonds will not be subject to rebate.

SECTION 26. Prohibited Payments. The City covenants that it will make no "Prohibited Payments" as that term is used in the regulations promulgated under the Code.

SECTION 27. Execute Additional Documents and Certificates. The Mayor and Clerk of the City are hereby authorized to execute and deliver on behalf of the City, such documents, certificates and the like, without limitation, as may be required in order to issue and deliver the Bonds.

SECTION 28. Conflicts. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and

set aside, but only to the extent of such conflict. For cause, this Bond Resolution shall become effective upon the adoption hereof.

SECTION 29. Section Headings. The section headings contained in the Bond Resolution have been prepared for convenience only and are not part of the Bond Resolution. They shall not be taken as an interpretation of any provision of the Bond Resolution.

SECTION 30. Effective Date. The Bond Resolution shall take effect upon its passage and adoption by the Governing Body.

Alderman Barnett seconded the motion to adopt the foregoing resolution after the same had been read and considered section by section, and, being put to a roll call vote, the result was as follows:

Alderman Jehu W. Brabham	voted: <u>aye</u>
Alderman Tony Hisaw	voted: <u>aye</u>
Alderman Tony Greer	voted: <u>aye</u>
Alderman Mike Bishop	voted: <u>aye</u>
Alderman Phil Fisher	voted: <u>absent</u>
Alderman Mike Morgan	voted: <u>aye</u>
Alderman Bill Barnett	voted: <u>aye</u>

The motion having received the foregoing vote of the Governing Body, the Mayor declared the motion carried and the resolution adopted this the 27th day of June, 2006.

CITY OF CLINTON, MISSISSIPPI

By: Rosemary G. Aultman
Rosemary G. Aultman, Mayor

ATTEST:

Russell Wall
RUSSELL WALL, CITY CLERK

EXHIBIT A
PRELIMINARY OFFICIAL STATEMENT

NEW ISSUE**PRELIMINARY OFFICIAL STATEMENT**

In the opinion of Bond Counsel, based on existing statutes, regulations, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Series 2006 Bonds is not includible in the gross income of the holders thereof for federal income tax purposes and is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although it is included in adjusted current earnings in calculating corporate minimum taxable income. Bond Counsel is also of the opinion that under existing law interest on the Series 2006 Bonds will be exempt from State of Mississippi income taxation. See "TAX EXEMPTION" herein.

\$3,870,000
CITY OF CLINTON, MISSISSIPPI
General Obligation Bonds
Series 2006

Dated: July 1, 2006**Due: July 1, as shown below**

Principal payable at the principal corporate trust office of, and interest payable semi-annually on each January 1 and July 1, beginning on July 1, 2007, by check or draft mailed to the registered holder of each of the Series 2006 Bonds by _____, of _____ Mississippi, paying agent for the Series 2006 Bonds. The Series 2006 Bonds will be issuable only in the form of fully registered bonds without coupons in the denomination of \$5,000 or any integral multiple of \$5,000 not to exceed the principal amount of bonds maturing in each respective year. The Series 2006 Bonds will represent general obligation indebtedness of the City.

The Bonds will mature in the years and principal amounts as follows:

<u>YEAR</u> <u>(Dec. 1 Maturity)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2007	120,000	
2008	125,000	
2009	130,000	
2010	140,000	
2011	145,000	
2012	155,000	
2013	160,000	
2014	165,000	
2015	175,000	
2016	185,000	
2017	190,000	
2018	200,000	
2019	210,000	
2020	220,000	
2021	230,000	
2022	240,000	
2023	255,000	
2024	265,000	
2025	275,000	
2026	285,000	

The Series 2006 Bonds are designated as qualified tax exempt obligations as such term is defined in Section 265(b)(3), Internal Revenue Code of 1986. This Preliminary Official Statement is deemed final for the purposes of SEC Rule 15c2-12.

GOVERNMENT CONSULTANTS, INC.
Jackson, Mississippi
Financial Advisor

The date of this Preliminary Official Statement is June 6, 2006.

The Series 2006 Bonds will be offered by the City when, as and if issued and received by the Purchaser thereof, subject to the approval of the validity thereof by Harris & Geno, PLLC, Ridgeland, Mississippi, Bond Counsel. It is expected that the Series 2006 Bonds in definitive form will be available for delivery on or about July 27, 2006. The Series 2006 Bonds will be sold pursuant to a Notice of Sale in the form attached hereto and marked as Appendix A.

The Series 2006 Bonds maturing on July 1, 2017, are subject to redemption prior to maturity on July 1, 2016, or on the first day of any month thereafter upon giving thirty (30) days' written notice of such Redemption. (See Redemption Provisions herein).

In the opinion of Bond Counsel, interest on the Series 2006 Bonds is excluded from the gross income of the registered owner for State of Mississippi and for Federal income tax purposes, with the standard exceptions for the effect the interest may have on the taxable income of corporations subject to alternative minimum tax, environmental tax and branch profits tax, and the possible effect on recipients of Social Security or Tier 1 Railroad Retirement Benefits, on taxpayers deemed to have incurred or continued indebtedness to purchase the Series 2006 Bonds, and on the income adjustments of property and casualty insurers. (See Tax Exemption Provisions herein).

The Series 2006 Bonds are designated as Qualified Tax Exempt Obligations as described in Section 265(b)(3) of the Internal Revenue Code of 1986 and the City reasonably expects that the total amount of Qualified Tax Exempt Obligations issued by the City including any subordinate entity of the City will not exceed \$10,000,000 during calendar year 2006 .

The date of this Preliminary Official Statement is June 6, 2006, and it is final for purposes of SEC Rule 15c2-12.

IMPORTANT NOTICES

No dealer, broker, salesman or other person has been authorized to make any representations with respect to the Series 2006 Bonds other than is contained in this Preliminary Official Statement and if given or made, such other information or representations must not be relied upon. This Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Series 2006 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. While all information has been secured from sources which are believed to be reliable, all parties preparing and distributing the Preliminary Official Statement make no guarantee or warranty relating thereto. All opinions, instruments or assumptions, whether or not expressly identified, are intended as such and not as representations of fact. Neither the delivery of this Preliminary Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

CITY OF CLINTON, MISSISSIPPI

Mayor

Rosemary G. Aultman

Board of Aldermen

Jehu W. Brabham
Tony Hisaw
Tony Greer
Mike Bishop
Phil Fisher
Mike Morgan
Bill Barnett

City Clerk

Russell Wall

Purchaser

City Attorney

Kenneth R. Dreher, P.A.
Clinton, Mississippi

Financial Advisor

Government Consultants, Inc.
Jackson, Mississippi

Bond Counsel

Harris & Geno, PLLC
Ridgeland, Mississippi

TABLE OF CONTENTS

CITY OFFICIALS AND BOND COUNSEL	3
INTRODUCTORY STATEMENT	6
THE SERIES 2006 BONDS	6
General Description	6
Purpose and Authorization	7
Security	7
Redemption	7
Registration and Payment of Series 2006 Bonds	8
Denomination and Transfer	8
Description of Fund Accounts	8
2006 Construction Fund	8
2006 Bond Fund	8
Rebate	9
Use of Proceeds	10
ECONOMIC AND DEMOGRAPHIC INFORMATION	11
General Description	11
Population	11
Government	11
Transportation	12
County Employment Statistics	13
County Unemployment Rates	14
City Retail Sales	14
Per Capita Income	15
City's Major Employers	15
Sales Tax Rebates from the State	16
Educational Facilities	17
Banking Institutions	18
TAX INFORMATION	19
Assessed Valuation	19
Procedure for Property Assessments	19
Procedure for Tax Collections	20
History of Assessed Valuation	20
Homestead Exemption	21
Tax Levy Per \$1000 Valuation	22
Ad Valorem Tax Collections	23
Ten Largest Taxpayers	23
DEBT INFORMATION	24
Legal Debt Limit Statement	
(as of May 1, 2006)	24
General Statutory Debt Limits Provisions	24
Outstanding General Obligation Bonded Debt Paid by Ad Valorem Taxes	
(as of May 1, 2006)	25
Outstanding General Obligation Bonded Debt Paid by Revenue from Operations	
(as of May 1, 2006)	25

Other Long-Term Debt (as of May 1, 2006)	25
Debt Ratios	26
Overlapping General Obligation Indebtedness	26
Schedule of Outstanding General Obligation Bonded Debt by Year (Fiscal Years Ending September 30)	27
Annual Debt Service Requirements	28
AUDIT, LEGAL AND MISCELLANEOUS INFORMATION	29
Audit Statements and Financial Information	29
No Default on Securities of the City	29
Bond Proceeds for Current Operating Expenses	29
Pension Plan	29
Reappraisal of Property and Limitation on Ad Valorem Levies	29
Legal Proceedings	29
Validation	30
Approval of Legal Proceedings	30
Tax Exemption	30
Qualified Tax Exempt Obligations - Bank Qualification	31
Arbitrage Covenant	31
Continuing Reporting under Rule 15c2-12	31
Financial Advisor	33
Underwriter	33
Miscellaneous	33
APPENDIX A	Notice of Bond Sale
APPENDIX B	Bid Form
APPENDIX C	Audit of City for Year Ending September 30, 2005
APPENDIX D	Budget of City for Year Ending September 30, 2006

PRELIMINARY OFFICIAL STATEMENT

relating to

CITY OF CLINTON, MISSISSIPPI

\$3,870,000

General Obligation Bonds

Series 2006

to be dated July 1, 2006

INTRODUCTORY STATEMENT

This Preliminary Official Statement, including the cover page and Appendices A, B, C and D hereto, is furnished to prospective purchasers by the City of Clinton, Mississippi (the "City") in connection with the sale of the City's \$3,870,000 in principal amount General Obligation Bonds, Series 2006, to be dated July 1, 2006 (the "Series 2006 Bonds" or the "Bonds"). The Series 2006 Bonds will be issued for the purpose of providing funds to pay for the cost of designing, erecting, equipping and furnishing municipal buildings; purchasing land therefor, if any; designing and erecting a public library and purchasing land, if any, equipment and books therefor; constructing and/or improving water works systems, water supply systems, sewage systems and sewerage disposal systems, and purchasing property, real and personal, therefor, if any; and other related improvements within the City.

The Bonds will be issued by the City under the authority of the Constitution and laws of the State of Mississippi and pursuant to a resolution to be adopted by the Mayor and Board of Aldermen, the governing body of the City, dated June 27, 2006 (the "Bond Resolution"). The Bonds will constitute general obligations of the City for the payment of the principal of and the interest on the Bonds for which the City will irrevocably pledge its full faith and credit.

THE SERIES 2006 BONDS

General Description

The Bonds will be dated July 1, 2006, will bear interest at the respective rates to be shown on the cover page of the Official Statement, and will mature on July 1 in the respective principal amounts and years shown on the cover page of this Preliminary Official Statement.

The principal of and interest on the Bonds shall be payable at the principal corporate trust office of _____, (the "Bank") located in _____, Mississippi. Interest thereon will be payable on July 1, 2007, and semi-annually thereafter on January 1 and July 1 of each year by check mailed by the Bank to the then registered owners of the Bonds. The Bonds will be issued in fully registered form in the denomination of \$5,000 each or any integral multiple thereof not to exceed a single annual maturity. The principal on the Bonds shall be payable only upon presentation and surrender of the Bonds at the principal corporate trust office of the Bank. Interest on the Bonds shall be remitted by the Bank to the then registered owners of the Bonds at their respective addresses as shown on the registration books of the Bank pertaining to the Bonds.

Purpose and Authorization

The Bonds are being issued to raise money for the purpose of providing funds to pay for the cost of designing, erecting, equipping and furnishing municipal buildings; purchasing land therefor, if any; designing and erecting a public library and purchasing land, if any, equipment and books therefor; constructing and/or improving water works systems, water supply systems, sewage systems and sewerage disposal systems, and purchasing property, real and personal, therefor, if any; and other related improvements within the City (the "Project"). The Bonds will be general obligation bonds of the City, will be secured by the full faith, credit and taxing power of the City, and will be paid by a special tax levy upon all taxable property within the City which shall be sufficient to pay the principal of and interest on the Bonds as each respectively becomes due.

The Bonds will be issued pursuant to the provisions of Section 21-33-301 *et seq.*, Mississippi Code of 1972 (the "Act"), and a Bond Resolution to be adopted by the Mayor and Board of Aldermen of the City on June 27, 2006 (the "Bond Resolution").

Security

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

Redemption

Bonds maturing on July 1, 2017, and thereafter, are subject to redemption prior to their respective maturities at the election of the Municipality on July 1, 2016, or on the first day of any month thereafter, either as a whole or in part (in inverse order of maturity and by lot if less than all of the maturity is to be redeemed), upon giving not less than thirty (30) days' prior written notice, at the principal amount thereof plus accrued and unpaid interest to the date of redemption. Notice of the call for redemption shall be mailed to all Registered Owners of the Bonds not less than thirty (30) days prior to the date of redemption. The Bonds shall cease to bear interest from and after the date of redemption as set forth in the Notice of Redemption.

Registration and Payment of Bonds

The Bonds as initially issued will be dated July 1, 2006. Interest on the Bonds will be payable on January 1 and July 1 of each year, beginning July 1, 2007, by check or draft mailed to the registered owner as shown on the registration books kept by the Bond Registrar at the main corporate trust office of the Bond Registrar and Paying Agent (the "Bond Registrar" or "Paying Agent") on the 15th day of the calendar month preceding such January 1 or July 1. The Bonds will mature on the dates and in the amounts set forth on the cover page hereof, and will bear interest to maturity at the rates to be shown on the cover page of the Official Statement. The principal of the Bonds is payable when due to the registered owner upon presentation of the Bonds at the principal corporate trust office of the Paying Agent.

Denomination and Transfer

The Bonds are to be fixed-rate bonds in fully registered form in the denomination of \$5,000 or any integral multiple thereof not to exceed an annual maturity. Ownership of any Series 2006 Bond is transferable upon surrender thereof to the Bond Registrar, together with an assignment duly executed by the registered owner or his attorney or legal representative, in such form as shall be satisfactory to the Bond Registrar. Upon any such registration of transfer of ownership, the Bond Registrar shall cause to be authenticated and delivered a new Series 2006 Bond or Bonds registered in the name or names of the transferee(s) in any denomination that is a multiple of \$5,000 in the same aggregate principal amount, maturity and interest rate as the Bonds surrendered for such transfer. The Bonds may be exchanged by the Bond Registrar for a like principal amount of Bonds of the same maturity of other authorized denominations. For every exchange or registration or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the owner for any exchange or registration of transfer of the Series 2006 Bond.

Description of Fund Accounts

2006 Construction Fund

The principal proceeds received upon the sale of the Bonds shall be deposited with a qualified depository of the City in a special fund designated the "2006 Construction Fund," which shall be used for payment of all costs of issuance and of constructing and otherwise acquiring the Project. Any amount remaining in the 2006 Construction Fund after completion of construction and acquisition of the Project and payment of all such expenses shall be transferred to the 2006 Bond Fund.

2006 Bond Fund

The City shall maintain with a qualified depository of the City a fund designated the "2006 Bond Fund" in the name of the City for the payment of principal of and interest on the Bonds and the payment of paying agents' fees in connection therewith. There shall be deposited into the 2006 Bond Fund as and when received:

1. accrued interest and premium, if any, received upon delivery of the Bonds;

2. the avails of any of the ad valorem taxes levied and collected for payment of the principal and interest on the Bonds;
3. any income received from investment of monies in the 2006 Bond Fund; and
4. any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bonds, and which may be directed to be deposited into the 2006 Bond Fund, including any balance of Bond proceeds remaining in the 2006 Construction Fund after the purpose for which such Bonds were issued shall have been accomplished.

Rebate

Based upon the reasonable expectations of the City in the Bond Resolution, the Bonds are exempt from the "rebate requirements" as provided for in Section 148(f)(4)(c) of the Internal Revenue Code of 1986. Accordingly, investments of the proceeds of the Construction Fund and the Bond Fund are exempt from "rebate" pursuant to and provided for in Section 148(f) of the Code.

In the event those representations are not true for any reason, the City has agreed in the Bond Resolution to comply with the "rebate requirements" and Bond Counsel will provide a "letter of instruction" to the City prior to delivery of the Bonds.

Use of Proceeds

The City expects that the total proceeds from the sale of the Bonds will be as follows:

Principal amount of the Series 2006 Bonds	\$3,870,000
Accrued Interest to Date of Delivery (Estimated)	\$
Proceeds of the Bonds	\$

The City expects that the said proceeds will be applied as follows:

(a) Deposit in 2006 Construction Fund	\$
(b) Estimated Payment of the Expenses of Issuing the Bonds ¹	\$
(d) Deposit into 2006 Bond Fund	\$
TOTAL	\$

¹Includes all legal, printing, rating agency fees, and miscellaneous expenses.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description

The City is located on Interstate 20 in the central portion of the state, directly in the heart of Mississippi's largest urban area, some seven miles west of Jackson, the capital city. It enjoys ready access to all the advantages of a large metropolitan area while continuing to have the amenities, as the *Clarion Ledger* and Mississippi Municipal League have recognized twice, of a Mississippi "Most Livable Community." The City is also a Certified Retirement Community and has received several "Making Mississippi Move" awards.

Population

The population of the City has been recorded or estimated as follows:

1970	1980	1990	2000	2005
7,289	16,917	21,841	23,347	23,427

SOURCE: U. S. Department of Commerce, Bureau of the Census, *Census of Population and Housing, 1970 - 2000*; *Clinton Community Profile*, Mississippi Development Authority website, May 2006.

Government

The City operates as a Code Charter form of government, divided equally into six wards. The local Governing Body is comprised of the Mayor, one Alderman representing each of the six Wards and one Alderman-at-Large whose duty is to represent the entire community. The current Mayor, Rosemary G. Aultman, has served in that position since July, 1993. The current members of the Board of Aldermen are:

Name	Occupation	Position Held Since
Jehu W. Brabham	Church Administrator	July 1993
Tony Hisaw	Special Agent, Prudential Preferred Financial Services	July 1997
Tony Greer	Realtor	July 2001
Mike Bishop	Sales Rep, Pfizer, Inc.	July 2005
Phil Fisher	Sales Rep, Proctor & Gamble	July 1993
Mike Morgan	LFO, Healthtech Corp.	July 2005
Bill Barnett	Retired	July 2005

Transportation

Clinton is on Interstate 20, an important east-west corridor and is approximately seven miles from north-south Interstates 55 and 220 and U.S. Highway 49. Two other major highways, U.S. Highway 80 and Mississippi Highway 18, also serve the City.

Kansas City Southern Railroad provides freight service on three different lines that radiate in all directions from the City. The company offers about 20 scheduled runs per day. Passenger service is available in Jackson, where Amtrak uses Illinois Central's rails to run daily north-south schedules through Jackson from New Orleans to Chicago.

Over 20 motor freight companies offer interstate and intrastate shipping services into and out of the City. Interline service is available to every state in the continental United States, with overnight service to points throughout the southeast and the lower Mississippi River Valley. Companies include Bowman Transportation, Carolina Freight Carriers, Consolidated Freightways, Freeman Truck Line, Jones Truck Lines and KLLM.

Inland barge facilities are available at the Port of Vicksburg on the Mississippi River, only 40 miles to the west. Charter air service for package freight is provided by Airborne, Emery and Federal Express. Parcel service is also offered through at least seven parcel services, including United Parcel Service, Purolator, and Film Transit.

Air transportation is available in nearby Jackson. The Jackson-Evers International Airport is off Interstate 20, about 23 miles east of Clinton. Designated as a general purpose Foreign Trade Zone, it houses an office of the U.S. Customs Service. The airport maintains two 8500-foot runways and provides direct service to almost every major city in the United States, with non-stop flights to hub cities including Atlanta, Cincinnati, Dallas, Memphis, Nashville and New Orleans. Airlines which utilize its services, providing about 40 outgoing flights daily, include American Eagle, Delta, Continental Express, Northwest Airlines and Southwest Airlines, TWExpress and United.

Closer to Clinton is Jackson's former municipal airport, Hawkins Field, which is now primarily a private aircraft base, serving jet and regular air traffic. It operates a tower with full FAA facilities. Two smaller fields for private aircraft are also located in the area, one between Clinton and Raymond.

County Employment

	2006	2005	2004	2003	2002	2001
Residence Based Employment						
Civilian Labor Force	125,810	127,060	124,360	120,680	119,030	120,280
Unemployed	8,790	8,800	7,130	7,020	7,190	6,060
Unemployment Rate	7.0%	6.9%	5.7%	5.8%	6.0%	5.0%
Employed	117,020	118,260	117,230	113,660	111,840	114,220
Establishment Based Employment						
Manufacturing	6,090	6,410	7,260	7,600	8,230	8,730
Non-manufacturing (Total)	158,360	175,950	135,420	136,930	139,170	139,310
Natural Resources and Mining	270	270	290	260	280	460
Construction	5,470	5,150	4,980	5,240	5,550	5,470
Trade, Transportation & Utilities	48,470	65,430	24,530	25,180	25,400	26,290
Information	3,060	3,230	3,480	4,160	5,310	6,070
Financial Activities	6,340	8,490	8,390	8,790	9,220	9,300
Professional & Business Services	18,410	18,740	18,090	17,930	18,300	18,000
Education & Health Services	20,350	20,130	20,130	20,080	20,170	19,340
Leisure & Hospitality	11,380	11,330	11,500	11,650	11,670	11,630
Other Services	6,360	6,550	66,450	6,670	6,850	6,110
Government	36,250	36,630	37,580	36,970	36,420	36,640
Public Education	12,970	12,960	12,810	12,570	12,590	12,880
Total Non-agricultural Employment	164,440	182,360	142,680	144,540	147,400	148,040

NOTE: Establishment-based amounts are estimates and do not include self-employed individuals, religious entities or non-profit institutions. Amounts include a pro rata share of unclassified employment.

SOURCE: Mississippi Department of Employment Security, Labor Market Information Division: Annual Labor Force Reports, Internet Version, May 2006, 2005-2006 Annual Averages 2001 Forward, Internet Version, September 2005, 2001-2004.

Unemployment Statistics of the County

	2006	2005	2004	2003	2002	2001
January	7.3%	7.2%	5.3%	6.7%	7.1%	4.9%
February	7.0	6.6	4.7	5.9	6.1	4.6
March	6.8	6.4	4.6	6.0	6.3	4.9
April		6.3	4.6	5.9	5.8	4.2
May		6.9	5.6	6.5	6.1	4.8
June		7.7	6.5	7.4	6.7	5.3
July		7.0	6.2	6.2	6.1	4.9
August		6.9	6.0	5.6	5.7	5.2
September		6.9	6.1	4.9	5.3	5.0
October		7.4	6.9	5.7	6.0	5.7
November		7.2	6.2	4.6	5.5	5.4
December		6.5	5.9	4.4	5.8	5.8
Annual Average	7.0%	6.9%	5.7%	5.8%	6.0%	5.0%

SOURCE: MS Dept. of Employment Security, Labor Market Information Division,
Summary of Unemployment Rates for Years 1970 Forward, Internet Version, May 2006

City Retail Sales

State Fiscal Year Ended June 30	Amount
2005	\$256,617,417
2004	252,895,467
2003	253,991,331
2002	231,897,132
2001	240,029,521
2000	225,791,243
1999	173,181,721

SOURCE: Annual Report, FYE June 30 for each year, Mississippi State Tax Commission.

Per Capita Income

Year	Hinds County	Mississippi	United States	County as % of U.S.
2003	\$27,468	\$23,466	\$31,472	87.3%
2002	26,494	22,550	30,804	85.7
2001	27,197	21,653	30,413	89.1
2000	26,290	20,920	29,760	88.3
1999	25,253	20,082	27,880	90.4

SOURCE: Labor Market Information Dept., Mississippi Department of Employment Security: *Historical LMI Data Sheet*, Internet Version, January 2006, 1997-2002; 2003 - *Quick Reference Data*, Internet Version, May 2006.

City's Major Employers

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

Employer	Employees	Product/Service
MCI/Skytel	762	Phone & Wireless Communications
Delphi Corporations - Packard Electric System	1077	Engine electrical eqpt.; Ignition harness & cable sets
Clinton Public School District	575	Public Education
Wal-Mart SuperCenter	520	Discount Retail Center
Mississippi College	450	Private Education
Entergy	338	Electric utility company
City of Clinton	215	Municipal Government
Kroger	130	Grocery Store

SOURCE: Office of City Clerk and City of Clinton website, May 2006.

Sales Tax Rebates from the State

The State of Mississippi rebates monthly 18.5% of the total State sales tax of 7% for all sales originating within the City; this rebate may be used for any lawful purpose. Sales tax rebates from the State to the City are as follows:

State Fiscal Year Ending June 30	Amount
2005	\$3,327,347
2004	3,302,344
2003	3,304,987
2002	3,086,892
2001	3,198,466
2000	3,012,457

SOURCE: Mississippi State Tax Commission, Annual Reports for Years Indicated

Educational Facilities

Public Schools. The Clinton Public School District, formed in 1970, is comprised of eight schools: four elementary (K-1, 2-3, 4-5, and 6), three secondary (one for 7th and 8th grade, one for 9th grade and one high school), and one career complex. Enrollment is based solely on grade level and has no relation to the area of the City in which a family resides. A bond issue passed in 1993 provided funds for the state-of-the-art high school, which opened in August 1996.

The Clinton schools have consistently scored well by both state and national standards.

Total first-month enrollment figures for the District in recent scholastic years is as follows:

Scholastic Year	District Enrollment
2005-2006	4,956
2004-2005	4,860
2003-2004	4,899
2002-2003	4,956
2001-2002	4,843
2000-2001	4,887
1999-2000	4,883

SOURCE: State Department of Education, "Public School Enrollment (End of First Month)," for years indicated.

Private Schools. Mt. Salus Christian School serves grades K-6 and Mt. Salus Christian High School completes secondary school education.

Institutions of Higher Learning. Clinton is home to Mississippi College, a Baptist college which is the oldest institution of higher learning in Mississippi and one of the 64 oldest in the country. It gave the U.S. its first woman graduate of a four-year college and has a current enrollment of approximately 3,600. The main campus of Hinds Community College, the state's largest two-year college and vocational training complex, is five miles away in Raymond.

Banking Institutions

Institutions	June 30, 2005 Total Assets
AmSouth Bank ¹	(Not available)
BancorpSouth Bank ²	\$10,825,364,000
BankPlus ³	1,475,757,000
M&F Bank ⁴	1,204,523,000
Merchants & Planters Bank ⁵	69,656,000
Regions Bank ¹	(Not available)
Trustmark National Bank ⁶	7,951,182,000

- 1 Head office in Birmingham, Alabama
- 2 Head office in Tupelo, Mississippi
- 3 Head office in Belzoni, Mississippi
- 4 Head office in Kosciusko, Mississippi
- 5 Head office in Raymond, Mississippi
- 6 Head office in Jackson, Mississippi

SOURCE: Mississippi Financial Institutions Directory,
Mississippi Bankers Association, 2005-2006 edition.

TAX INFORMATION

Assessed Valuation¹

Assessment Year	Real Property	Personal Property ²	Public Utility Property	Total
2005	\$95,676,682	\$53,210,657	\$10,804,511	\$159,691,850
2004	97,774,307	50,135,177	9,791,744	157,701,228
2003	83,972,443	48,692,163	9,657,919	142,322,525
2002	80,302,198	48,242,852	9,741,157	138,286,207
2001	68,610,593	50,627,070	9,545,458	128,783,121
2000	65,313,663	45,755,668	9,322,576	120,391,907
1999	63,950,804	43,897,708	9,147,893	116,996,405

¹ Excludes real property values that are subject to homestead exemption.

² Personal Property includes automobiles, other motor vehicles and mobile homes.

SOURCE: Office of the City Clerk.

Procedure For Property Assessments

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

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

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

Procedure for Tax Collections

Ad valorem taxes on real, personal and utility property are due on February 1 of each year. A penalty in the amount of one percent (1%) per month is levied against all delinquent ad valorem taxes. In the event the taxes are not paid by August 5, the property is sold for taxes on the last Monday in August and upon the sale of any property for failure to pay ad valorem taxes, the owner has two years from the date of sale in which to redeem the property. Ad valorem taxes for motor vehicles (license plates) are due one year from the first day of the month in which the tag is acquired. A one time late penalty in the amount of 25% of the amount of the taxes due is levied in the event the license plate is not acquired in the month in which it expires. Ad valorem receipts for motor vehicles are collected on a monthly basis.

The Mayor and Board of Aldermen, acting for and on behalf of the City, are required under the Act and the Bond Resolution to annually levy a special tax upon all taxable property within the City sufficient to provide for the payment of the principal of and the interest on the Bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of 1% per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Section 27-41-55, Mississippi Code of 1972, as amended, and related statutes provide that after the fifteenth day of February or the fifth day of August in each year, the tax collector for each County shall advertise all lands in a City on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes, for sales on the first Monday in April or the last Monday of August following, as the case may be. Hinds County conducts its tax sales during the month of August.

History of Assessed Valuation

The State of Mississippi has undertaken substantial revision of its property taxation since 1980. In that year the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So. 2d 712, in which the State Tax Commission was enjoined from approving assessment rolls from any county in the state for the tax year 1983 unless the Tax Commission equalized the assessment rolls of all counties. While the appeal of that case was pending in the Mississippi Supreme Court, the Legislature passed Senate Bill No. 2672, Regular Session 1980, which is codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972, as amended, which ordered a state-wide reappraisal of property and required appraisal at true value and assessment in proportion to true value. Hinds County has completed reappraisal.

On June 3, 1986, the voters of the State of Mississippi approved an amendment to Section 112 of the Mississippi Constitution which established certain classes of property and related assessment ratios for property taxation purposes. Formerly there were four classes of property and no assessment ratio of one class could be more than double the assessment ratio of each of the other classes of property. The amendment sets forth five classes of property and provides that the assessment ratio of one class of property must not be more than three times the assessment ratio of each of the other classes of property.

CLASS I	Single-family, owner-occupied, residential real property - ten percent (10%) of true value;
CLASS II	All real property except that of public utilities and single-family, owner-occupied property - fifteen percent (15%) of true value;
CLASS III	All personal property except motor vehicles and personal property of public utilities - fifteen percent (15%) of true value;
CLASS IV	All public utility property - thirty percent (30%) of true value; and
CLASS V	Motor vehicles - thirty percent (30%) of true value.

The entire State has completed its reappraisal, and all property in the City is now appraised at true value. Assessments for the years 1986 and thereafter, for taxes payable in the years 1987 and thereafter, have been and will continue to be based on the assessment ratios set forth in the constitutional amendment and legislation related thereto.

Sections 27-35-15, *et seq.*, Mississippi Code of 1972, as amended, require county tax assessors to annually appraise all personal property subject to taxation and describe how the assessors are to obtain and maintain property lists and how to value the property. Section 27-35-50 of the Mississippi Code also requires determination of true value of all real property annually, and the Mississippi State Tax Commission is given power to establish rules to facilitate implementation of appraisal and assessment.

Rule 6 of the Commission's Property Tax Bureau set the tax roll year 1997 as a year of developing and adopting standards and minimum requirements for maintenance of property appraisal. Each county was to prepare a base property sales file and establish an update cycle of no more than four years, during which 100% of the tax parcels would be physically observed and notated on the county's property records. The Tax Commission has statutory authority to monitor each county's progress and to assure that each county's assessment records comply with acceptable standards.

Hinds County has opted for the four-year cycle, established its base real and personal property sales files, and is in the midst of its second cycle of physically observing and notating all tax parcels.

Homestead Exemption

The Homestead Exemption Law of 1946, as amended, reduces the local tax burden on certain homes and provides partial replacement of the tax loss by revenues from other sources of taxation on the state level. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied to pay the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military services and those classified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$6,000 of assessed value thereof.

The tax loss resulting to the City from homestead exemptions is reimbursed by the State Tax Commission. However, in any year the City will not be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to the City in the previous year nor may any exemption exceed \$200.00 per qualified applicant.

Tax Levy Per \$1000 Valuation

(Year in Which Taxes Levied)

	2005	2004	2003	2002	2001	2000
General Fund	33.67	33.54	33.28	33.28	32.90	31.55
Parks & Recreation Bond & Interest	0	0	0	0	0	1.10
North/South Parkway Bond & Interest	1.50	1.90	2.25	2.35	2.35	2.60
Fire & Police Retirement	.57	.30	.21	.11	.49	.49
General Purposes Total	35.74	35.74	35.74	35.74	35.74	35.74
District Maintenance	47.57	47.57	47.57	45.41	44.92	44.62
1986 School District Bonds	2.40	2.70	2.70	2.20	2.60	3.20
1994 School District Bonds	4.60	4.30	4.30	4.11	4.70	5.00
School Purposes Total	54.57	54.57	54.57	51.72	52.22	52.82
TOTAL	90.31	90.31	90.31	87.46	87.96	88.56

SOURCE: Office of the City Clerk.

Ad Valorem Tax Collections*

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected**	Difference Over (Under)	Percent Collecte d
2005	\$5,776,372	\$5,715,289	\$(61,083)	98.9%
2004	5,167,135	5,173,549	6,414	100.1
2003	4,997,618	4,972,377	(25,241)	99.5
2002	4,570,470	4,575,160	4,690	100.1
2001	4,280,516	4,291,395	10,879	100.2
2000	4,167,071	4,201,680	34,609	100.8

* Does not include school taxes.

** Includes prior years' collections.

SOURCE: Annual audit reports of the City; City Clerk's office.

Ten Largest Taxpayers

The ten taxpayers in the City having the highest assessed valuation for tax year 2004 on real and personal property, excluding motor vehicles and mobile homes, are as follows:

Taxpayer	Assessed Valuation	Taxes Collected
Entergy	\$9,222,302	\$329,605
MCI, Inc.	3,427,383	122,495
Delphi Automotive Systems	2,745,251	98,115
BellSouth	2,005,847	71,689
Reserve at Woodchase (apartments)	1,777,817	63,539
Wal-Mart Stores	1,667,357	59,591
Clinton Assisted Living	1,058,122	37,817
Leon V. Ghatti	760,482	27,180
United Artists Theatre Circuit	485,843	17,364
Gulf States Cannery	469,321	19,773

SOURCE: Office of the City Clerk, May 2006.

DEBT INFORMATION

Legal Debt Limit Statement (as of May 1, 2006)

	15% Debt	20% Debt
Authorized Debt Limit (Last Completed Assessment for Taxation -\$159,691,850)	\$ 23,953,777	\$ 31,938,370
Present Debt Subject to Debt Limits	1,550,000	3,065,000
Less this Offering	3,870,000	3,870,000
Margin for Further Debt Under Debt Limits	\$ 18,533,777	\$ 25,003,370

General Statutory Debt Limits Provisions

The City is subject to a general statutory debt limitation under which no municipality in the State may incur general obligation bonded indebtedness in an amount which will exceed 15 percent of the assessed value of the taxable property within such municipality according to the last completed assessment for taxation. In computing general obligation bonded indebtedness for purposes of such 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for school, water and sewerage systems, gas and light and power purposes and for the construction of special improvements primarily chargeable to the property benefitted, or for the purpose of paying a municipality's proportion of any betterment program, a portion of which is primarily chargeable to the property benefitted.

However, in no case may a municipality contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes which, when added to all of its outstanding general obligation indebtedness, both bonded and floating, exceeds 20 percent of the assessed value of the taxable property within such municipality.

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

Outstanding General Obligation Bonded Debt Paid By Ad Valorem Taxes
(as of May 1, 2006)

Issue	Date of Issue	Original Principal	Outstanding Principal
Street Improvement	7/1/96	\$3,100,000	\$1,550,000
Total		\$3,100,000	\$1,550,000

Outstanding General Obligation Debt paid by Revenue from Operations*
(as of May 1, 2006)

Issue	Date of Issue	Original Principal	Outstanding Principal
Water Improvement	3/1/95	\$1,000,000	\$365,000
Water & Sewer System	3/1/98	1,600,000	1,150,000
Total		\$2,600,000	\$1,515,000

* Exempt from the 15% and 20% debt limits.

OTHER LONG-TERM DEBT
(As of May 1, 2006)

The City has outstanding \$1,554,000 in tax increment limited obligation bonds, secured solely by the tax revenue received from the redevelopment projects, which are not subject to the 15 or 20 percent debt limitations, pursuant to Section 21-45-9, Mississippi Code of 1972.

The City borrowed \$7,750,000 from the Mississippi Development Bank on November 1, 2004 to fund a portion of the cost of municipal buildings and recreation facilities within the City. This loan is payable from legally available revenues of the City, including tax monies, backed by an agreement which provides for the intercept of local taxes from the State Tax Commission, and further secured by a Financial Guaranty Insurance Policy and a Surety Bond. It is exempt from the 15% and the 20% debt limitations.

Other obligations include \$885,000 in revenue bonds secured solely by revenues received by an enterprise fund; \$1,156,696 in capital lease purchase agreements which are subject to annual appropriations; notes payable under agreements with the Mississippi Department of Environmental Quality in the amount of \$11,194,578, with the Mississippi Development Authority in the amount of \$1,861,173, and with the Mississippi Department of Health in the amount of \$1,076,238, none of which is subject to the statutory debt limitations.

SOURCE: Office of the City Clerk, May 2006.

Debt Ratios

FY Ended September 30	General Obligation Debt	General Obligation Debt to Assessed Value
2005	\$1,550,000	1.0%
2004	1,760,000	1.2
2003	1,960,000	1.4
2002	2,150,000	1.7
2001	2,380,000	2.0
2000	2,710,000	2.3

Overlapping General Obligation Indebtedness

(as of June 1, 2006)

	2004 Population Est.	Current Assessed Valuation	General Obligation Bonded Debt	General Obligation Bonded Debt Per Capita
Hinds County	249,987	\$1,621,990,692	\$27,420,000	\$109.69

Source: Office of Hinds County Chancery Clerk

(as of June 30, 2006)

	Current Assessed Valuation	Total General Obligation Bonded Debt
Clinton Public School District	\$215,208,767	\$23,665,000

Source: Office of School District Superintendent.

**Schedule of Outstanding General Obligation Bonded Debt Payment by Year
(Fiscal Years Ending September 30)**

ISSUE & ISSUE DATE	2006	2005	2004	2003	2002
Public Improvement: Police/Court Facility - 7/1/92	0	0	0	0	\$ 50,000
Street Improvement - 7/1/96	\$225,000	\$210,000	\$200,000	\$190,000	180,000
TOTAL	\$225,000	\$210,000	\$200,000	\$190,000	\$230,000

SOURCE: Office of the City Clerk.

Annual General Obligation Debt Service Requirements

FY Ending Sept. 30	Existing Debt			New Debt		
	Principal	Interest	Total	Principal	Interest*	Total
2007	\$235,000	\$69,085	\$304,085	\$120,000	\$183,825.00	\$303,825.00
2008	250,000	57,100	307,100	125,000	178,125.00	303,125.00
2009	265,000	44,100	309,100	130,000	172,187.50	302,187.50
2010	280,000	30,188	310,188	140,000	166,012.50	306,012.50
2011	295,000	15,488	310,488	145,000	159,362.50	304,362.50
2012				155,000	152,475.00	307,475.00
2013				160,000	145,112.50	305,112.50
2014				165,000	137,512.50	302,512.50
2015				175,000	129,675.00	304,675.00
2016				185,000	121,362.50	306,362.50
2017				190,000	112,575.00	302,575.00
2018				200,000	103,550.00	303,550.00
2019				210,000	94,050.00	304,050.00
2020				220,000	84,075.00	304,075.00
2021				230,000	73,625.00	303,625.00
2022				240,000	62,700.00	302,700.00
2023				255,000	51,300.00	306,300.00
2024				265,000	39,187.50	304,187.50
2025				275,000	26,600.00	301,600.00
2026				285,000	13,537.50	298,537.50
Total	\$1,325,000	\$215,961.00	\$1,540,961.00	\$3,870,000	\$2,206,850.00	\$6,076,850.00
						\$7,617,811.00

* Calculated at 4.75%

AUDIT, LEGAL AND MISCELLANEOUS INFORMATION

Audit Statements and Financial Information

Audit statements of the City for the fiscal year ending September 30, 2005 and for prior years are available upon request. Unaudited financial information of the City is also available upon request.

No Default on Securities of City

No securities of the City have been in default as to principal or interest payments or in any other material respects at any time in at least the last 30 years. No principal or interest on any of the City's obligations is past due.

Bond Proceeds for Current Operating Expenses

No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used for current operating expenses at any time in at least the last 30 years.

Pension Plan

All full time employees and elected officials of the City are members of the Mississippi Public Employees' Retirement System.

Reappraisal of Property and Limitation on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes do not increase dramatically as the counties complete reappraisals, said Senate Bill No. 2672 provides for the limit on increase in tax revenues discussed below.

The aforesaid Senate Bill No. 2672 limits ad valorem tax levies by the City subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of principal of and the interest on general obligation bonds issued by the City or to certain other specified levies. This limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

Legal Proceedings

There are no pending legal proceedings which might be expected to affect the City's ability to perform its obligations to the holders of the Bonds being offered for sale.

Validation

The Bonds shall be submitted to validation before the Chancery Court of Hinds County as provided by Sections 31-13-1 through 31-13-11, Mississippi Code of 1972, as amended.

Approval of Legal Proceedings

All legal matters in connection with the authorization and issuance of the Bonds are subject to the unqualified approving opinion of Harris & Geno, PLLC. Copies of such opinion will be available at the time of delivery of the Bonds. No representation is made to the holders of the Bonds that such Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Preliminary Official Statement and Bond Counsel assumes no responsibility to the holders of the Bonds except for the matters set forth in such opinion.

Tax Exemption

In the opinion of Bond Counsel, interest on the Bonds will be excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings and court decisions, except as set forth hereinbelow. In the opinion of Bond Counsel, interest on the Bonds will be exempt from income taxation by the State of Mississippi under existing statutes.

Prospective purchasers of the Bonds should be aware of the provision included in the Internal Revenue Code of 1986 (the "Code") which will require that interest on the Bonds received by a corporation (as defined for federal income tax purposes) is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Also, the interest on the Bonds will be subject to the environmental tax imposed on corporations and, in the case of United States branches of foreign corporations, the branch profits tax imposed by the Code. Prospective purchasers of the Bonds should also be aware of the provision included in the Code which requires property and casualty insurance companies owning Bonds to reduce their loss reserve deduction by 15% of the interest received or accrued on the Bonds.

Furthermore, prospective purchasers of the Bonds should recognize that interest on the Bonds may become subject to federal income taxation from the date of issuance in the event that the City fails to satisfy certain requirements imposed by the Code respecting (i) limitations on the use of proceeds from the sale of the Bonds in the trade or business of, or to make or finance loans to, persons other than governmental units, (ii) restrictions on investment earnings on proceeds of the Bonds, and (iii) the rebate to the federal government of certain arbitrage profits. The City has covenanted that it will not take, or omit to take, any action lawful and within its power to take, if such action or omission would cause interest in any Series 2006 Bond to become subject to federal income taxes in addition to those federal income taxes to which interest on such Series 2006 Bond is subject on the date of original issuance thereof.

Although interest on the Bonds will be exempt from federal income taxation as discussed in the preceding paragraphs, the Social Security Amendments of 1983 provide that for tax years after 1983, under certain circumstances, receipt of such tax-exempt interest could subject to federal income taxation a portion of Social Security or railroad retirement benefits that would not otherwise be taxable. A prospective purchaser of the Bonds should consult his personal tax adviser in this regard in connection with his decision to purchase any of the Bonds.

Qualified Tax Exempt Obligations - Bank Qualification

In the proceedings of the Governing Body of the City authorizing the issuance of the Bonds, the City has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b) of the Internal Revenue Code of 1986. The City has certified that it anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued during calendar year 2005 by the City and all entities subordinate thereto will not exceed \$10,000,000.

Arbitrage Covenant

The Mayor and Board of Aldermen, acting for and on behalf of the City, have covenanted and certified to and for the benefit of the owners of the Bonds that the City will neither take any action or omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Bonds, including amounts treated as proceeds, if any, which will cause the Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, supplemented or superseded, and any regulations that may be applicable to the Bonds, at the time of such action, investment or use.

Continuing Reporting under Rule 15c2-12

The City has agreed in the Bond Resolution for the benefit of the holders and beneficial owners of the Bonds for so long as it remains obligated to advance funds to pay the Bonds, that it will provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information vendors as hereinafter set forth. This information will be available to securities brokers and others who subscribe to receive the information from the vendors. Compliance with Rule 15c2-12 will be effected through the delivery by the City of a Continuing Disclosure Certificate, the provisions of which are hereinafter generally described.

The City will provide certain updated financial information and operating data to certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in this Preliminary Official Statement used in connection with marketing the Bonds under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION," and "DEBT INFORMATION," as well as a copy of the most recent City audit. The City will update and provide this information within six (6) months after the end of each fiscal year of the City ending in or after September 30, 2006. The City will provide the updated information to each nationally recognized municipal securities information repository ("NRMSIR") and to any state information depository ("SID") that is designated by the State of Mississippi and approved by the staff of the United States Securities and Exchange Commission (the "SEC").

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

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by April 1 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify each NRMSIR and any SID of the change.

Anyone requesting information under the continuing disclosure requirements of Rule 15c2-12, as amended, should contact the City Clerk, City Hall, 300 Jefferson Street (39056), P. O. Box 156, Clinton, Mississippi 39060-0156, Telephone: (601) 924-5462.

The City will also provide timely notices of certain events to certain information vendors. The City will provide notice of any of the following events with respect to the Bonds, if such event is material to a decision to purchase or sell Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes affecting the Bonds. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under the second, third and fourth paragraphs of this Section. The City will provide each notice described in this paragraph to any SID and to either each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB").

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

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

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

Financial Advisor

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

Although the Financial Advisor performed an active role in drafting of the Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from municipal records and from other sources which are believed to be reliable, including financial records of the City and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the City. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

Underwriter

The Bonds have been purchased by _____, located in _____.

Miscellaneous

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

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

Additional financial information concerning the annual audit of the City, budgets, operating statements of the City may be obtained from **Russell Wall, City Clerk**, at the address below.

Additional copies of this Preliminary Official Statement as well as the Notice of Bond Sale may be obtained from:

Russell Wall
City Clerk, City Hall
300 Jefferson Street (39056)
P.O. Box 156
Clinton, Mississippi 39056-0156
Telephone: (601) 924-5462

Harris & Geno, PLLC
Post Office Box 3880
Ridgeland, Mississippi 39158
Attention: Larry Harris
Kay Valentine
Duell Smith
Telephone: (601) 427-0048

CITY OF CLINTON, MISSISSIPPI

BY: _____
MAYOR

CITY CLERK

APPENDIX A

NOTICE OF BOND SALE

NOTICE OF BOND SALE

\$3,870,000 GENERAL OBLIGATION BONDS SERIES 2006

CITY OF CLINTON, MISSISSIPPI

Sealed proposals for the bond issue will be received pursuant to this notice. The issue is for the City of Clinton, Mississippi (the "City"). The issue will be in the principal amount of Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000).

Sealed proposals will be received by the Mayor and Board of Aldermen (the "Governing Body") at the office of the City Clerk of Clinton, Mississippi, located in the City Hall, 300 Jefferson Street, Clinton, Mississippi, until the hour of 4:00 o'clock p.m. on Tuesday, June 27, 2006, at which time the Clerk will publicly open and read all such bids received. At the hour of 7:00 o'clock p.m. all such bids shall be presented to the Governing Body for the purchase, at not less than par and accrued interest, of the above referenced bonds of the City.

The issue will consist of \$3,870,000 general obligation bonds for public improvements as authorized by the Governing Body on May 16, 2006, and will be issued pursuant to Sections 21-33-301 *et seq.*, Mississippi Code of 1972.

The bonds shall be fully registered without coupons, bear date of July 1, 2006, be of the denomination of Five Thousand Dollars (\$5,000) each or any integral multiple thereof not to exceed the principal amount of bonds maturing in each respective year, shall mature and be payable on July 1 of each year commencing on July 1, 2007, and shall bear interest at a rate or rates to be determined pursuant to sale of said bonds, payable semi-annually on July 1 and January 1 in each year commencing on July 1, 2007. Both principal of and interest on said bonds will be payable at a bank within the State of Mississippi, to be designated as hereinafter provided.

The bonds shall mature serially in each of the years, as follows:

<u>YEAR OF MATURITY</u> (July 1)	<u>PRINCIPAL AMOUNT</u>
2007	\$ 120,000
2008	125,000
2009	130,000
2010	140,000
2011	145,000
2012	155,000
2013	160,000
2014	165,000
2015	175,000

2016	185,000
2017	190,000
2018	200,000
2019	210,000
2020	220,000
2021	230,000
2022	240,000
2023	255,000
2024	265,000
2025	275,000
2026	285,000

Series 2006 Bonds maturing on July 1, 2017, and thereafter are subject to redemption prior to their stated maturity, either in whole or in part, in inverse order of maturity and by lot within maturity on July 1, 2016, or on the first day of any month thereafter, at par plus accrued interest to the date of redemption upon giving the Registered Owners of the Series 2006 Bonds thirty (30) days' prior written notice of such redemption.

Bidders for said bonds are requested to designate in their bids the price they will pay for bonds bearing interest at a rate or rates to be designated in their bids for the bonds. No bond shall bear more than one rate of interest; each bond shall bear interest from its stated maturity date at the interest rate specified in the bid; all bonds of the same maturity shall bear the same rate of interest from date to maturity; the lowest interest rate specified for any bond shall not be less than seventy percent (70%) of the highest interest rate specified for any bonds; and the interest rate appearing on any bond shall not exceed eleven percent (11%). Each interest rate specified in any bid must be in multiples of one-eighth of one percent ($1/8$ of 1%) or one-tenth of one percent ($1/10$ of 1%), and a zero rate of interest cannot be named.

The bonds will be general obligations of the City of Clinton, Mississippi, will be secured by the full, faith, credit and taxing power of the City of Clinton, Mississippi, and will be paid by a special tax levy upon all taxable property within the City of Clinton, Mississippi, in an amount which shall be sufficient to pay the principal and interest on the bonds as each respectively becomes due.

The Bonds will be designated as "Qualified Tax-Exempt Obligations" as described in Section 265(b)(3) of the Internal Revenue Code of 1986.

The City will covenant in its Bond Resolution that pursuant to Rule 15c2-12, as amended, the City will deliver or cause to be delivered, commencing with the fiscal year of the City ending September 30, 2006, to each person requesting same, (i) financial information relating to the City, including audited financial statements of the City, and (ii) to the "nationally recognized municipal securities information repository," within the meaning of Rule 15c2-12, and certain other entities described in Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), notice of any material events relating to the Bonds and the City, if the City deems such events to be material as set forth under Rule 15c2-12, as amended. If applicable, anyone

requesting information under the continuing disclosure requirements of Rule 15c2-12, as amended, should contact the City Clerk, City Hall, 300 Jefferson Street, Clinton, Mississippi, Telephone Number (601) 924-5462.

The City is in full compliance with its prior continuing reporting obligations with respect to the requirements set forth in SEC Rule 15c2-12.

Proposals for the bonds should be plainly marked "*Proposal for the City of Clinton, Mississippi, General Obligation Bonds - Series 2006.*"

Proposals should be addressed to the Board of Mayor and Board of Aldermen of the City of Clinton, Mississippi, c/o City Clerk, City Hall, 300 Jefferson Street, Clinton, Mississippi 39056, and should be filed with the City Clerk on or prior to the date and hour hereinabove named. Each bid must be accompanied by a cashier's check, certified check, or exchange, payable to the City of Clinton, Mississippi, issued or certified by a bank located in the State of Mississippi, in the amount of Seventy-Seven Thousand Four Hundred Dollars (\$77,400), as a guaranty that the bidder will carry out his contract and purchase the bonds if his bid be accepted. If the successful bidder fails to purchase the bonds pursuant to his bid and contract, the amount of such good faith check shall be retained by the Governing Body as liquidated damages and shall be paid into the treasury of the City.

The successful bidder may designate a bank or trust company located within the State of Mississippi to serve as paying, transfer and registration agent (the "Paying Agent," "Transfer Agent" and "Registration Agent") for the bonds within forty-eight (48) hours of the date of sale of the bonds, subject to the approval of the City. The City's approval of such designated bank or trust company shall be contingent on a determination as to the willingness and ability of such designated bank or trust company to perform the duties as Registration Agent, Transfer Agent and Paying Agent for the bonds and on the satisfactory negotiation of service fees.

The successful bidder for the bond issue must deliver to such designated bank(s) or trust company(s) within twenty (20) days of the date of sale, or at such other later date as may be designated by the City, the names, address and Social Security or Tax Identification Numbers of the registered owners of the bonds and the denominations in which the bonds of each maturity are to be issued. If a successful bidder fails to submit such information to such designated bank(s) or trust company(s) by the required time, one bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder.

The Governing Body reserves the right to reject any or all bids.

The bonds are offered subject to the unqualified approval of the legality thereof by the law firm of Harris & Geno, PLLC, Ridgeland, Mississippi. The City will pay the legal fees and will pay for the printing and validation of the bonds. Delivery of the bonds will be made to the purchaser(s) on or about July 26, 2006, at a place to be designated by the purchaser(s) and without cost to the purchaser(s).

It is anticipated that CUSIP identification numbers will be printed on the bonds unless specifically declined by the purchaser. Neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid by the City; the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

Offering material other than that provided in the Preliminary Official Statement regarding the financial condition of the City, and other related additional information may be obtained from Russell Wall, City Clerk, 300 Jefferson Street, Clinton, Mississippi 39056, Telephone (601) 924-5462 or Harris & Geno, PLLC, Post Office Box 3380, Ridgeland, Mississippi 39158-3380, Telephone: (601) 427-0048 (ask for Larry Harris, Duell Smith or Kay Valentine).

This the 6th day of June, 2006.

/s/ Russell Wall
CITY CLERK, CLINTON, MISSISSIPPI

APPENDIX B

BID FORM

BID FORM

\$3,870,000
GENERAL OBLIGATION BONDS, Series 2006
OF THE CITY OF CLINTON, MISSISSIPPI

June 27, 2006

The Mayor and Board of Aldermen
of the City of Clinton, Mississippi
300 Jefferson Street (39056)
Post Office Box 156
Clinton, Mississippi 39060-0156

Ladies and Gentlemen:

We offer to pay \$3,870,000 plus accrued interest to the date of delivery for the Three Million Eight Hundred Seventy Thousand Dollars (\$3,870,000) principal amount General Obligation Bonds, Series 2006, dated July 1, 2006 (the "Bonds"), of the City of Clinton, Mississippi (the "City"), as described in the Notice of Bond Sale dated June 6, 2006, maturing and bearing interest as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
(July 1 Maturity)		
2007	120,000	_____
2008	125,000	_____
2009	130,000	_____
2010	140,000	_____
2011	145,000	_____
2012	155,000	_____
2013	160,000	_____
2014	165,000	_____
2015	175,000	_____
2016	185,000	_____
2017	190,000	_____
2018	200,000	_____
2019	210,000	_____
2020	220,000	_____
2021	230,000	_____
2022	240,000	_____
2023	255,000	_____
2024	265,000	_____
2025	275,000	_____
2026	285,000	_____

Based upon the interest rate or rates specified above, we compute:

gross interest cost to the City \$ _____,

net interest cost \$ _____,

(deducting premium of \$ _____, if any)

and the average annual net interest rate from the date of the Bonds to their respective maturities to be _____%.

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

Both principal of and interest on the Bonds will be payable at a place to be designated by the undersigned, subject to the approval of the City.

A (cashier's check) (certified check) (bank exchange), issued or certified by a bank located in the State of Mississippi and payable to the order of the City of Clinton, Mississippi, in the amount of Seventy Seven Thousand Four Hundred Dollars (\$77,400) accompanies this proposal as a guarantee that we will carry out this contract and accept delivery of the Bonds if this proposal is accepted, which shall be returned to the undersigned (1) if this bid be not accepted or (2) if the City should fail to deliver the Bonds to the undersigned in accordance with the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Bonds.

This proposal is submitted subject to all the terms and conditions of the Notice of Bond Sale, dated June 6, 2006, which by reference is hereby made a part of this bid.

BIDDER: _____

BY: _____

TITLE: _____

Associates (if any):

Return of good faith deposit hereby acknowledged.

DATE: _____

BY: _____

ACCEPTANCE

The above proposal accepted by resolution of the City of Clinton, Mississippi, and receipt of the within mentioned check is hereby acknowledged.

DATE: _____

BY: _____

APPENDIX C

AUDIT OF CITY FOR YEAR ENDING SEPTEMBER 30, 2005

**[NOTE: The FYE 2005 Audit was included
in the Preliminary Official Statement
when it was distributed to prospective bidders,
but it is not included in the Board Minutes.]**

APPENDIX D

SUMMARY BUDGET REPORT OF CITY FOR YEAR ENDING SEPTEMBER 30, 2006

**[NOTE: The FYE 2006 Budget was included
in the Preliminary Official Statement
when it was distributed to prospective bidders,
but it is not included in the Board Minutes.]**

Indexing instructions:
N 1/2 Section 32, T6N, R1W,
First Judicial District, Hinds County, MS

Prepared by:
William C. Smith III
Watkins & Eager, PLLC
400 East Capitol Street, Suite 300
Jackson, Mississippi 39201
(601) 948-6470

DEED OF DONATION

WHEREAS, the undersigned Sanders Family Limited Partnership, a Mississippi limited partnership, is the owner of a certain tract of land described in Exhibit A attached hereto and made a part hereof by reference, said property is lying and being situate within the corporate limits of the city of Clinton;

WHEREAS, the Mayor and Board of Alderman of the City of Clinton, Mississippi acting for and in behalf of said City of Clinton and the said Sanders Family Limited Partnership are of the opinion that a street, roadway or other public thoroughfare should be constructed as a means of public access, ingress and egress, and that the construction of a street or roadway over, along and across that certain parcel of land described in Exhibit A, hereinabove referenced, would be to the best interest of the citizenry of the City of Clinton and its environs and the County of Hinds; that the street would be an asset and a key component of vitality and growth of the area; that the City and County would reap and an economic benefit by way of revenue;

NOW THEREFORE, in consideration of the premises and mutual covenants hereinafter set forth, and for One Dollar (\$1.00) cash in hand paid, the receipt and sufficiency of all of which is hereby acknowledged, the undersigned **Sanders Family Limited Partnership**, herein "Sanders" or "Grantor" does hereby grant, convey and donate to the **City of Clinton**, Mississippi, a body politic and municipality under the statutes of the State of Mississippi, a parcel of land lying and being situate in the City of Clinton, Hinds County, Mississippi, being more particularly described as follows, to-wit:

See **Exhibit A** attached hereto and made a part hereof by reference.
Also attached is **Exhibit B** being a plat to aid in the description of the aforesaid property.

Further, and for the same consideration set forth above, Grantor does hereby grant, convey and donate to the City of Clinton, Mississippi, a body politic and municipality under the statutes of the State of Mississippi, the following easements, to wit:

Easement Number 1

A Temporary Construction Easement, more particularly described in **Exhibit "C"** attached hereto and incorporated herein. Attached hereto and incorporated herein is **Exhibit "C-1"**, being a plat of the described easements.

Easement Number 2

A Temporary Construction Easement, more particularly described in **Exhibit "D"** attached hereto and incorporated herein. Attached hereto and incorporated herein is **Exhibit "D-1"**, being a plat of the described easements.

Easement Number 3

A Temporary Construction Easement, more particularly described in **Exhibit "E"** attached hereto and incorporated herein. Attached hereto and incorporated herein is **Exhibit "E-1"**, being a plat of the described easements.

The aforesaid temporary easements are granted for aid in construction of the aforesaid Hampstead Boulevard project and are for a period of two (2) years from the recording of this instrument or until the completion of the Hampstead Boulevard Project, whichever is shorter. In addition, immediately following the construction hereinabove referred to, the City of Clinton will cause to be removed from the temporary easements hereinabove described, all debris, surplus materials, and construction equipment and leave the premises in a neat and presentable condition.

Further, Grantor, for the same consideration set forth hereinabove does hereby grant, convey and donate to the City of Clinton, Mississippi, a body politic and municipality under the statutes of the State of Mississippi, a perpetual easement in, over and upon, the following described land situate in Hinds County, First Judicial District, State of Mississippi, more particularly described as follows:

A Permanent Easement containing 1.677 acres more or less and more fully described in **Exhibit "F"** attached hereto and made a part hereof by reference. Also attached is **Exhibit "F-1"**, being a plat to aid in the description of this property.

This Easement is granted and conveyed for the purposes of right-of-way, ingress and egress, for the construction, installation, maintenance, repair, operation and use of a roadway (Hampstead Boulevard) and all appurtenant structures in, over, upon and through such easement.

The consideration recited herein, and the Agreements herein made by the Grantor's execution hereof and Grantee's acceptance hereof, shall constitute payment in full for all damages which have been or may be sustained by Grantor by reason of the installation, maintenance, and repair of the roadway and structures referred to herein. Grantor shall not by any means hinder, nor prevent Grantee's access to its structures referred to herein nor shall Grantor cause nor permit any damage to any such structures. This Agreement together with other provisions of this grant shall constitute a covenant running with the land for the benefit of the Grantee, its successors, and assigns, and shall be binding upon Grantor, his heirs, personal representatives and assigns.

The parties hereto, as Grantor and Grantee agree, understand and covenant that:

- (a) the conveyance and donation of land to Grantee herein is for the purpose of constructing a public roadway or thoroughfare according to the approved engineering or construction plan and specifications of the Roadway, Drainage and Utility Improvements for Hampstead Boulevard being plan number WGK #00-297. The construction of said roadway and its necessary appurtenances shall be completed and open to the public for normal traffic on or before the 30th day of June, 2007.
- (b) In the event construction is interfered with by inclement weather, force majeure, Actus Dei or Actus Satani, the deadline herein agreed upon shall be extended by the number of days construction cannot proceed for the reasons stated, said extension not to exceed 30 days.
- (c) In the event the project is not completed and not open to the public as herein set forth by the completion date herein agreed upon, ipso facto title to the property

hereby conveyed and all appurtenances and rights incident thereto shall thereupon vest in or revert to Grantor, or at Grantor's election Grantor may take over said project and complete same at Grantee's expense.

(d) Construction of the roadway by Grantee shall be completed on or before June 30, 2007 according to the aforesaid plans.

In the event of default by Grantee in performance with regard to the completion date set forth herein then title there upon at said date shall revert to Grantor and Grantee shall convey and assign all of his rights relative to the construction of this project free and clear of any recorded or inchoate lien.

(e) Any contract entered into by Grantee for said road construction project shall have a completion date on or before the date as set forth herein with appropriate penalties for failure to perform the terms of which contract Grantor shall approve.

Grantor is under no obligation to complete construction on said roadway unless Grantor is assured to Grantor's sole satisfaction that Grantor and the title to the conveyed property and any appurtenances thereto will not be subject to any lien of record, inchoate lien, claim, or indebtedness incurred by Grantee and that Grantee shall pay for said construction in advance.

It is agreed and understood that, Grantee shall not assess, cause or allow any assessment which shall directly or indirectly charge Grantor or its successors and assigns with or make Grantor or its successors and assigns liable for any cost, fee, or expense incurred by the city or Grantee in the completion of said roadway project whether constructed by Grantee or by Grantor following the reverter set forth herein.

Access to said roadway upon completion, whether the said completion is by Grantor or Grantee, shall be commercially reasonable and agreed upon and sufficient to efficiently and adequately serve all of Grantor's remaining property.

The covenants and agreements entered into herein are incorporated in a resolution appearing in the minutes of the Board of Alderman of the City of Clinton, said resolution having been approved by a vote of 6 yeas and 0 nays on the 27th day of June, 2006 as approved by the Mayor of the City of Clinton on the 27th day of June, 2006.

It is further understood and agreed that the covenants contained herein are covenants that run with the title and are binding on the parties hereto and their successors in title and assigns, not without which would this conveyance have been made.

This conveyance is subject to all mineral severances, all covenants and restrictions, and easements of record in the land records of the Chancery Clerk of Hinds County at Jackson and as would be revealed by an accurate survey or competent inspection of the premises.

Taxes for the current year on said parcel shall be paid by Grantor.

WITNESS THE SIGNATURE OF THE UNDERSIGNED, this the 27th day of June, 2006.

Sanders Family Limited Partnership, a
Mississippi limited partnership

James R. Sanders, Jr.
By: James R. Sanders, Jr.
Title: General Partner

STATE OF MISSISSIPPI
COUNTY OF HINDS

PERSONALLY came and appeared before me, the undersigned authority in and for the said county and state, on this 27th day of June, 2006, within my jurisdiction, the within named JAMES R. SANDERS, JR acknowledged that he is General Partner of Sanders Family Limited Partnership, a Mississippi limited partnership and that for and on behalf of said partnership, and as its act and deed, he executed and delivered the above and foregoing instrument, after first having been duly authorized by said partnership so to do.

Tracy Latham
NOTARY PUBLIC

My Commission Expires:



Grantor's Address and Telephone:

Sanders Family Limited Partnership
5132 Kaywood Circle
Jackson, MS 39211
Phone: (601) _____

Grantee's Address and Telephone:

City of Clinton
300 JEFFERSON ST.
CLINTON, MS 39056
Phone: (601) 924-5462

TRACT 2

INDEXING INSTRUCTIONS: N ½ of Section 32, T-6-N, R-1-W, First Judicial District, Hinds County, Mississippi.

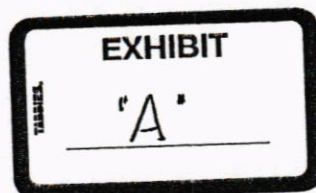
Commencing at the 1" diameter iron bar found marking the Northwest corner of said Section 32, as per plat by Colin Baird, recorded with easement in Deed book 5609 at Page 106; Thence run South for a distance of 2122.21 feet; thence run East for a distance of 4293.72 feet to a point, said point being a set ½" square iron bar on the north right-of-way line of Interstate Highway 20, said point also being the POINT OF BEGINNING of the parcel herein conveyed; Thence run along the north right-of-way line of Interstate Highway 20 for the following courses:

North 56 degrees 04 minutes 22 seconds West for a distance of 1598.35 feet to a point being a found concrete right-of-way marker; Thence run, North 11 degrees 28 minutes 30 seconds West for a distance of 70.71 feet to a point being a found concrete right-of-way marker; Thence run, North 56 degrees 28 minutes 30 seconds West for a distance of 100.00 feet to a point being a found concrete right-of-way marker; Thence run, North 89 degrees 10 minutes 00 seconds West for a distance of 53.20 feet to a point being a found concrete right-of-way marker; Thence run, North 51 degrees 52 minutes 21 seconds West for a distance of 162.97 feet to a point being a found concrete right-of-way marker; Thence run, Northerly along a curve to the right for a distance 151.60 feet to set ½" square iron rod, said curve having a radius of 2789.79 feet, a chord bearing of North 50 degrees 35 minutes 21 seconds West, and a chord length of 151.58 feet; Thence run, North 17 degrees 01 minutes 00 seconds East for a distance of 6.37 feet to a point, said point being a set ½" square iron bar; Thence run, North 65 degrees 15 minutes 53 seconds West for a distance of 20.51 feet to a point, said point being a set ½" square iron bar; Thence run, Northerly along a curve to the right for a distance 116.49 feet to set ½" square iron bar, said curve having a radius of 2789.79 feet, a chord bearing of North 47 degrees 22 minutes 44 seconds West, and a chord length of 116.48 feet;

Thence leaving the north line of Interstate Highway 20 and run along the east line of Parcel D-1 recorded in Deed book 5593 at Page 642 for the following courses:

North 36 degrees 48 minutes 54 seconds West for a distance of 77.94 feet to a point, said point being a set ½" square iron bar; Thence run, North 10 degrees 59 minutes 27 seconds West for a distance of 64.30 feet to a point, said point being a set ½" square iron bar; Thence run, North 27 degrees 50 minutes 40 seconds West for a distance of 92.66 feet to a point, said point being a set ½" square iron bar; North 18 degrees 24 minutes 39 seconds West for a distance of 126.71 feet to a point, said point being a set ½" square iron bar;

Thence run along the north right-of-way line of a proposed city street for the following courses:



Southerly along a curve to the left for a distance of 294.50 feet to a point being a set $\frac{1}{2}$ " square iron bar, said curve having a radius of 1131.58 feet, a chord bearing of South 45 degrees 36 minutes 37 seconds East, and a chord length of 293.67 feet; Thence run, South 53 degrees 03 minutes 58 seconds East for a distance of 627.80 feet to a point, said point being a set $\frac{1}{2}$ " square iron bar; Thence run, Southerly along a curve to the right for a distance of 80.57 feet to a point being a set $\frac{1}{2}$ " square iron bar, said curve having a radius of 440.00 feet, a chord bearing of South 47 degrees 49 minutes 14 seconds East, and a chord length of 80.46 feet; Thence run, South 42 degrees 34 minutes 29 seconds East for a distance of 280.36 feet to a point, said point being a set $\frac{1}{2}$ " square iron bar; Thence run, Southerly along a curve to the left for a distance of 87.34 feet to a point being a set $\frac{1}{2}$ " square iron bar, said curve having a radius of 360.00 feet, a chord bearing of South 49 degrees 31 minutes 30 seconds East, and a chord length of 87.12 feet; Thence run, South 56 degrees 28 minutes 30 seconds East for a distance of 977.60 feet to a point, said point being a set $\frac{1}{2}$ " square iron bar; Thence run, Southerly along a curve to the right for a distance of 590.46 feet to a point being a set $\frac{1}{2}$ " square iron bar, said curve having a radius of 21960.00 feet, a chord bearing of South 57 degrees 14 minutes 43 seconds East, and a chord length of 590.44 feet; Thence run, South 58 degrees 00 minutes 56 seconds East for a distance of 27.81 feet to a point, being a set $\frac{1}{2}$ " square iron bar;

Thence run, leaving the north right-of-way line of a proposed city street, South 01 degrees 10 minutes 02 seconds West for a distance of 117.75 feet to a point, said point being a set $\frac{1}{2}$ " square iron bar on the north right-of-way line of Interstate Highway 20; Thence run Northerly along a curve to the right for a distance 469.12 feet back to the POINT OF BEGINNING, said curve having a radius of 17,084.73 feet, a chord bearing of North 56 degrees 55 minutes 01 seconds West, and a chord length of 469.11 feet, and containing 7.325 acres (319,077 sq. ft.) more or less.