CITY OF CLINTON
REGULAR MEETING OF THE MAYOR AND BOARD OF ALDERMEN
TUESDAY, FEBRUARY 17, 2004 – 7:00 P.M.
MUNICIPAL COURTROOM - 305 MONROE STREET

WELCOME AND CALL TO ORDER - Mayor Rosemary Aultman

INVOCATION AND PLEDGE OF ALLEGIANCE TO THE FLAG

The invocation was led by Alderman Brabham followed by the Pledge of Allegiance to the Flag led by Alderman Hisaw.

ROLL CALL – City Clerk, Wayne Derrick

Present:
- Jehu Brabham - Alderman-At-Large
- Tony Hisaw - Alderman Ward 1
- Tony Greer - Alderman Ward 2
- Clint Brantley - Alderman Ward 3
- Phil Fisher – Alderman Ward 4
- Herb Touchton – Alderman Ward 5
- Sharbert Lott – Alderman Ward 6
- Ken Dreher - City Attorney

RECOGNITIONS

A pinning ceremony was held for five members of the Clinton Police Department for promotion from Sergeant to Lieutenant:

- G.Y. Craft
- Kimbal Gober
- Van Gunter
- Gene Mashburn
- Chris Dill

APPROVAL OF AGENDA ITEMS A-W

MOTION made by Alderman Greer and **SECONDED** by Alderman Lott to approve Consent Agenda Items A-W. Item C will serve to advertise favorably the opportunities, possibilities and resources of the City of Clinton. **MOTION CARRIED UNANIMOUSLY**

REAPPOINTMENT OF JOHN MCKEE TO SCHOOL BOARD

Upon recommendation by Mayor Aultman, **MOTION** made by Alderman Brabham and **SECONDED** by Alderman Hisaw to approve the reappointment of John McKee to Clinton Public School Board for a 5-year term, effective March 2004. **MOTION CARRIED UNANIMOUSLY**

RESOLUTION AMENDING MONTHLY GARBAGE COLLECTION RATES ASSOCIATED WITH THE CITY'S ORDINANCE PROVIDING AND ORDAINING RULES, RATES AND REGULATIONS FOR THE COLLECTION OF GARBAGE AND RUBBISH

Upon presentation by Wayne Derrick, City Clerk, **MOTION** made by Alderman Brabham and **SECONDED** by Alderman Fisher to approve a Resolution amending monthly garbage collection rates, said rates to be effective April 1, 2004. A copy of the Resolution is attached. **MOTION CARRIED UNANIMOUSLY**

RESOLUTION OF FINAL ACCEPTANCE OF SOUTHSIDE WATER WELL-CONTRACT #3

Upon presentation by Richard Broome, City Engineer, **MOTION** made by Alderman Touchton and **SECONDED** by Alderman Lott to approve a Resolution authorizing acceptance of Southside Water Well-Contract #3 for the installation of a 350 KVA portable emergency generator, SRF Project No. DWI-H28008-01. A copy of the Resolution is attached. **MOTION CARRIED UNANIMOUSLY**

RESOLUTION AUTHORIZING THE APPLICATION FOR A $500,000 CAP LOAN FROM THE MISSISSIPPI DEVELOPMENT AUTHORITY FOR SOUTHSIDE WATER TANK

Upon presentation by Richard Broome, City Engineer, **MOTION** made by Alderman Brabham and **SECONDED** by Alderman Lott to approve a Resolution authorizing Mayor Aultman to proceed with application and public notice for a $500,000.00 CAP loan from the Mississippi Development Authority for the construction and engineering of a one million-gallon elevated water storage tank. A copy of the Resolution is attached. **MOTION CARRIED UNANIMOUSLY**

RESOLUTION AUTHORIZING THE ISSUANCE OF TAX INCREMENT FINANCING BONDS IN THE AMOUNT OF $250,000 ASSOCIATED WITH THE CLINTON PARKWAY PROJECT

Upon presentation by Richard Broome, City Engineer, **MOTION** made by Alderman Touchton and **SECONDED** by Alderman Greer to approve a Resolution authorizing and directing the issuance of Tax Increment Limited Obligation Bonds, Clinton Parkway Project, Series 2004, in the principal amount of $250,000.00 to raise money for the purpose of providing funds necessary to defray the cost of constructing various infrastructure improvements in connection with the Clinton Parkway Project. A copy of the Resolution is attached. **MOTION CARRIED UNANIMOUSLY**

ADJOURN 7:37 P.M.

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

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

February 20, 2004
Date

ATTEST: W. Derrick
Wayne Derrick, City Clerk

02/20/2004
Date

CITY OF CLINTON AGENDA ITEM FACT SHEET

BOARD MEETING DATE: February 17, 2004 AGENDA ITEM NO. 7

CONSENT AGENDA: TO: BOARD APPROVED

FOR: FEB 17 2004

ACCT. NO. CITY OF CLINTON

DISCUSSION/ACTION: John McKee, re-appointment to School Board 5 year term - effective March 2004.

INTRODUCED BY: Mayor Rosemary Aultman TELEPHONE: 924-5462

EXHIBITS FOR REVIEW:

Minutes	Invoice	Other:
Ordinance	Plans, Maps	
Resolution	Contract	

RECOMMENDATION: Recommended

BOARD ACTION: MOTION MADE BY: John ~~Mayor Aultman~~

SECONDED BY: Hisaw

VOTE CAST:	"AYE"	"NAY"	ACTION TAKEN:
Brabham	✓		
Hisaw	✓		
Greer	✓		
Brantley	✓		
Fisher	✓		
Touchton	✓		
Lott	✓		
Mayor Aultman			

AGENDA ITEMS MUST BE TURNED IN TO THE CITY CLERK WITH ALL ATTACHMENTS NO LATER THAN 5 P.M. ON THE WEDNESDAY PRECEEDING THE TUESDAY BOARD MEETING TO BE INCLUDED ON THE AGENDA. THIS DEADLINE WILL BE STRICTLY ENFORCED.

BOARD APPROVED

FEB 1 7 2004

CITY OF CLINTON AGENDA ITEM FACT SHEET

CITY OF CLINTON

BOARD MEETING DATE: February 17, 2004

AGENDA ITEM N0. 8

CONSENT AGENDA: TO: .

FOR:

ACCT. NO:

INTRODUCED BY:

EXHIBITS FOR REVIEW:

Minutes	______	Invoice	______	Other	______
Ordinance	______	Plans, Maps	______		______
Resolution	______	Contract	______		______

DISCUSSION/ACTION: Changes in Garbage Collection Rates

Introduced by: Wayne Derrick, City Clerk

BOARD ACTION: MOTION MADE BY: Brabham

SECONDED BY: Fisher

VOTE CAST:	"AYE"	"NAY"	ACTION TAKEN:
Brabham	✓		
Hisaw	✓		
Greer	✓		
Brantley	✓		
Fisher	✓		
Touchton	✓		
Lott	✓		
Mayor Aultman			

AGENDA ITEMS MUST BE TURNED IN TO THE CITY CLERK WITH ALL ATTACHMENTS NO LATER THAN 5 P.M. ON THE WEDNESDAY PRECEEDING THE TUESDAY BOARD MEETING TO BE INCLUDED ON THE AGENDA. THIS DEADLINE WILL BE STRICTLY ENFORCED.

OFFICE OF THE CITY CLERK

CITY OF CLINTON
Clinton, Mississippi 39056
601-924-5462
FAX # 601-925-4605

BOARD APPROVED

FEB 17 2004

CITY OF CLINTON

M E M O R A N D U M

DATE: February 10, 2004

TO: Mayor and Board

FROM: Wayne Derrick Wayne

SUBJECT: Change and Increase in Monthly Garbage Collection Rates

As was discussed at the work session on February 2, 2004, I am recommending the following changes be made to our existing Garbage Collection Ordinance relative to Monthly Pickup Rates effective April 1, 2004 (Scenario # 5):

1. All single family residential rates be increased from $10.00 to $12.00.

2. Commercial rates:

   Class 1 rates be increased from $13.00 to $16.00.

   Class 2 rates be increased from $18.00 to $22.00.

This action will, in effect, bring our Garbage Collection Fund into compliance with the Attorney General's Opinion No. 2002-0435 regarding the discounting of garbage pickup rates <u>and</u> increase the Fund's financial integrity in order to produce monthly revenues sufficient to cover future operating expenditures and debt service, the latter also being a statute requirement.

City of Clinton
Garbage Collection Fact Sheet

City of Clinton
Garbage Collection Fact Sheet

* Last garbage rate increase was in November 1995, over eight years ago.

* Rates were increased -------->

	From	To	% inc
Residential - regular	$7.00	$10.00	42.9%
Residential - Age 65/disabled	$3.00	$6.00	100.0%

* The City's current solid waste collection contract with DisposAll Inc. of Jackson expires on October 31, 2004.

* In August 2002, the Mississippi Attorney General issued Opinion No. 2002-0435 which states "This statute (Miss. Code Ann. Section 21-27-27) prohibits governing authorities from providing free garbage services or giving a discount for garbage services."

* During the past three years, the Garbage Collection Fund has lost money, as follows:

2001	($47,563)
2002	($86,953)
2003	($69,728)

* For fiscal year 2003, the average monthly cost and revenue of garbage and recycle pickup per customer were as follows:

Average monthly revenue per customer	$9.66
Average monthly cost per customer	10.45
Revenue over (under) cost	($0.79)

* On October 1, 2003, the City had approximately 1,170 residences being charged the discounted monthly rate (Age 65/disabled) of $6.00.

* For 2004, the Garbage Fund is budgeted to lose $79,479 and have a year-end cash deficit of $24,647 unless garbage collection rates are increased to cover current operating costs.

* With monthly costs exceeding monthly revenues by approximately $9,500, the Fund would have no cash at the end of May 2004.

* Increasing monthly discounted rates from $6.00 to $10.00 would provide the Fund an additional $4,680 per month.

City of Clinton
Garbage Collection Fact Sheet

* Garbage Fund cash position scenarios (Note 1):

Action	Cash Position at September 30 2004	2005	2006	2007
1. Leave rates as they are	(32,424)	(125,681)	(238,888)	(372,610)
2. Increase senior rate from $6 to $10 effective 01-Apr-2004	(3,882)	(40,804)	(97,394)	(174,216)
3. Increase senior rate from $6 to $10 effective 01-Apr-2004; increase all rates by $1 effective 01-Oct-2004	(3,882)	52,967	92,314	112,893
4. Eliminate the senior rate of $6 effective 31-Mar-2004; increase all other rates by $1 effective 01-Apr-2004	42,331	99,179	138,526	159,106
5. Eliminate the senior rate of $6 effective 31-Mar-2004; increase all other rates by $2 effective 01-Apr-2004	88,544	238,303	371,051	485,522

Note 1: Assumes that there is no significant increase in contracted monthly pickup cost in new contract, to be effective on 01-Oct-2004.

BOARD APPROVED

FEB 17 2004

CITY OF CLINTON

CITY OF CLINTON AGENDA ITEM FACT SHEET

Board Meeting Date: February 17, 2004__ Agenda Item No. 9

Consent Agenda: $ To:

For:

Account No.

Discussion/Action: Resolution of final acceptance of Southside Water Well – Contract #3

Introduced by: Richard L. Broome, City Engineer Telephone No. 924-5462

Exhibits for Review:

Minutes: ________ Invoice:____ Other: Bid
Ordinance: _______ Plans, Maps: _______
Resolution: _______ Contract: ________

Recommendation:

Board Action:

Motion made by: Touchton
Seconded by: Lott

Vote Cast:	"Aye":	"Nay":	Action Taken:
Brabham	✓		
Hisaw	✓		
Greer	✓		
Brantley	✓		
Fisher	✓		
Touchton	✓		
Lott	✓		
Mayor Aultman			

Agenda items must be turned in to the City Clerk with all attachments no later than 5 P.M. on the Wednesday preceding the Tuesday Board Meeting to be included on the Agenda. This deadline will be strictly enforced.

BOARD APPROVED

FEB 17 2004

CITY OF CLINTON

CITY OF CLINTON, MISSISSIPPI RESOLUTION
AUTHORIZING ACCEPTANCE OF SOUTHSIDE WATER IMPROVEMENTS
CONTRACT 3

BE IT RESOLVED BY THE CITY OF CLINTON:

That Mayor Rosemary Aultman is authorized to accept the 2002 SRF Water Improvements Contract for installation of a 350 KVA Portable Emergency Generator, SRF Project No. DWI-H28008-01.

Alderman Touchton moved and Alderman Lott seconded the adoption of the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Jehu Brabham	yes
Tony Hisaw	yes
Tony Greer	yes
Clint Brantley	yes
Herb Touchton	yes
Phil Fisher	yes
Sharbert Lott	yes

The motion to adopt the resolution, having received the vote shown above, was declared carried.

The 17h day of February 2004.

Signed: Rosemary D. Aultman
Rosemary Aultman, Mayor

ATTEST:

W. Imrich

City Clerk

CITY OF CLINTON MISSISSIPPI OFFICIAL SEAL

BOARD APPROVED

FEB 1 7 2004

CITY OF CLINTON

CITY OF CLINTON AGENDA ITEM FACT SHEET

Board Meeting Date: February 17, 2004___ Agenda Item No. 10

Consent Agenda: $	To:
For:	
Account No.	

Discussion/Action: Resolution authorizing the application for $500,000.00 CAP Loan for Southside Water Tank

Introduced by: Richard L. Broome, City Engineer Telephone No. 924-5462

Exhibits for Review:

Minutes: ________	Invoice:____	Other: Bid
Ordinance: _______	Plans, Maps: _______	______________________
Resolution: _______	Contract: _________	______________________

Recommendation:

Board Action:

Motion made by: Brabham

Seconded by: Lott

Vote Cast:	"Aye":	"Nay":	Action Taken:
Brabham	✓		
Hisaw	✓		
Greer	✓		
Brantley	✓		
Fisher	✓		
Touchton	✓		
Lott	✓		
Mayor Aultman			

Agenda items must be turned in to the City Clerk with all attachments no later than 5 P.M. on the Wednesday preceding the Tuesday Board Meeting to be included on the Agenda. This deadline will be strictly enforced.

BOARD APPROVED

FEB 17 2004

CITY OF CLINTON

CITY OF CLINTON, MISSISSIPPI RESOLUTION
AUTHORIZING PROCEEDING WITH CAPITAL
IMPROVEMENTS LOAN APPLICATION

BE IT RESOLVED BY THE CITY OF CLINTON:

That Mayor Rosemary Aultman is authorized to proceed with application and public notice for $500,000.00 Capital Improvements Loan for construction and engineering of a One Million Gallon Elevated Water Storage Tank.

Alderman Brabham so moved and Alderman Lott seconded the adoption of the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Jehu Brabham	yes
Tony Hisaw	yes
Tony Greer	yes
Clint Brantley	yes
Herb Touchton	yes
Phil Fisher	yes
Sharbert Lott	yes

The motion to adopt the resolution, having received the vote shown above, was declared carried.

The 17th day of February 2004.

Signed: Rosemary S. Aultman
Rosemary Aultman, Mayor

ATTEST:

W. Finch

City Clerk

OFFICIAL SEAL CITY OF CLINTON MISSISSIPPI

BOARD APPROVED

FEB 17 2004

CITY OF CLINTON

CITY OF CLINTON AGENDA ITEM FACT SHEET

Board Meeting Date: February 17, 2004__ Agenda Item No. 11

Consent Agenda: $	To:
For:	
Account No.	

Discussion/Action: Resolution Authorizing issuance of Tax Increment Financing bonds for Parkway Center Project

Introduced by: Richard L. Broome, City Engineer Telephone No. 924-5462

Exhibits for Review:

Minutes: ________	Invoice:____	Other: Bid
Ordinance: _______	Plans, Maps: _______	
Resolution: _______	Contract: ________	

Recommendation:

Board Action:

Motion made by: Touchton

Seconded by: Greer

Vote Cast:	"Aye":	"Nay":	Action Taken:
Brabham	✓		
Hisaw	✓		
Greer	✓		
Brantley	✓		
Fisher	✓		
Touchton	✓		
Lott	✓		
Mayor Aultman			

Agenda items must be turned in to the City Clerk with all attachments no later than 5 P.M. on the Wednesday preceding the Tuesday Board Meeting to be included on the Agenda. This deadline will be strictly enforced.

There came on for consideration before the Mayor and Aldermen of the City of Clinton, Mississippi, the following Resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF TAX INCREMENT LIMITED OBLIGATION BONDS, CLINTON PARKWAY PROJECT, SERIES 2004, OF THE CITY OF CLINTON, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF TWO HUNDRED FIFTY THOUSAND DOLLARS ($250,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS NECESSARY TO DEFRAY THE COST OF CONSTRUCTING VARIOUS INFRASTRUCTURE IMPROVEMENTS IN CONNECTION WITH THE CONSTRUCTION OF THE CLINTON PARKWAY PROJECT, INCLUDING BUT NOT LIMITED TO, INSTALLATION OF UTILITIES SUCH AS WATER, SANITARY SEWER AND NATURAL GAS LINES; INSTALLATION OF DRAINAGE; CONSTRUCTION OF ROADWAYS WITH CURB AND GUTTER; INSTALLATION OF TRAFFIC SIGNALIZATION AND SIGNAGE; SIDEWALKS; RELOCATION OF UTILITIES; LANDSCAPING OF RIGHT-OF-WAY NECESSARY FOR THE INSTALLATION OF THE INFRASTRUCTURE IMPROVEMENTS DESCRIBED HEREINABOVE; OTHER INCIDENTAL COSTS; AND PROFESSIONAL FEES IN CONNECTION WITH CONSTRUCTION AND DEVELOPMENT OF THE CLINTON PARKWAY PROJECT, CAPITALIZED INTEREST AND COST OF ISSUANCE OF THE BONDS, WHICH PROJECT WILL BE LOCATED ON APPROXIMATELY SIX (6) ACRES OF LAND LYING IN THE SOUTHEAST CORNER OF THE INTERSECTION OF CLINTON PARKWAY AND CYNTHIA STREET IN THE CITY OF CLINTON, HINDS COUNTY, MISSISSIPPI.

WHEREAS, the Mayor and Aldermen of the City of Clinton, Mississippi, acting for and on behalf of said City of Clinton, Mississippi, hereby find , determine , adjudicate and declare 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 21-45-1 to 21-45-21, Mississippi Code of 1972, as amended.

"Agent" shall mean Transfer Agent, Paying Agent, Authentication Agent or Registration Agent, whether serving in any capacity, and shall initially mean BancorpSouth, located in Jackson, Mississippi.

"Assessment Certificate" shall mean the Assessment Certificate of the Tax Assessor of Hinds County, Mississippi as required by Section 21-45-21, the Act, under which the Assessor, on behalf of the City, will certify as to the value of the Original

Assessed Value, Current Assessed Value and Captured Assessed Value as each relates to the Redevelopment Project, which Certificate further sets forth the estimated amount of additional City ad valorem taxes available for debt service on the Bond, which Certificate shall be filed on an annual basis.

"Bond" or **"Bonds"** shall mean one Tax Increment Limited Obligation Bond, Clinton Parkway Project, Series 2004, of the City authorized and directed to be issued by this resolution and shall be dated the date of delivery.

"Bond Counsel" shall mean Harris & Geno, PLLC, Ridgeland, Mississippi.

"Bond Fund" shall mean the fund of the City provided for in Section 12 hereof.

"Bond Resolution" shall mean this resolution.

"Captured Assessed Value" shall mean the incremental increase in assessed value of the real property within the Redevelopment Project Site when the Original Assessed Value is subtracted from the Current Assessed Value as of January 1, 2004 and each January 1 thereafter, all as set forth in the annual Assessment Certificate of the Tax Assessor of Hinds County.

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

"Clerk" shall mean the Clerk of the City.

"Construction Fund" shall mean the Construction Fund of the City provided for in Section 14 hereof.

"Current Assessed Value" shall mean the amount by which the assessed value of real property located within the Redevelopment Project Site has increased or decreased from the Original Assessed Value, as certified annually by the Hinds County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act.

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

"Mayor" shall mean the Mayor of the City.

"Original Assessed Value" shall mean the assessed value of the real property located within the Redevelopment Project Site as of January 1, 2003 as certified by the

Hinds County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act.

"Paying Agent" shall mean BancorpSouth, located in Jackson, Mississippi.

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

"Public Improvement Project" shall mean the construction of publicly owned infrastructure improvements in connection with the construction of the Redevelopment Project, including but not limited to, installation of utilities such as water, sanitary sewer and natural gas lines; installation of drainage; construction of roadways with curb and gutter; installation of traffic signalization and signage; sidewalks; relocation of utilities; landscaping of right-of-way necessary for the installation of the infrastructure improvements described hereinabove; other incidental costs; and professional fees in connection with construction and development of the Redevelopment Project, capitalized interest and cost of issuance of the Bonds.

"Purchaser" shall mean BancorpSouth, located in Jackson, Mississippi.

"Record Date" shall mean, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Bond 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.

"Redevelopment Plan" shall mean the Tax Increment Financing Redevelopment Plan of 1995, City of Clinton, Mississippi.

"Redevelopment Project" shall mean the Clinton Parkway Project as described in detail in the Tax Increment Financing Plan, such project to be located on approximately six (6) acres of land located at the southeast corner of the intersection of Clinton Parkway and Cynthia Street and described in Exhibit A attached hereto.

"Redevelopment Project Site" shall mean approximately six (6) acres of land located at the southeast corner of the intersection of Clinton Parkway and Cynthia Street and described in Exhibit A hereto upon which the Redevelopment Project shall be constructed.

What about Bank Project?

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

"Tax Increment" shall mean the added increments of municipal ad valorem tax revenue resulting from the taxation of the Captured Assessed Value of the real property contained within and forming a part of the Redevelopment Project Site which shall be so much of the additional tax revenues necessary and sufficient to pay the principal of and interest on the Bond issued by the City for the Public Improvements Project together with the annual fees and expenses of the Paying Agent but shall not include ad valorem taxes for school district purposes nor ad valorem taxes levied and collected for and on behalf of Hinds County, Mississippi.

"Tax Increment Financing Plan" shall mean the Tax Increment Financing Plan, Clinton Parkway Project, City of Clinton, Mississippi, June 2003, approved and adopted by the Governing Body on June 17, 2003.

"Tax Increment Surplus" shall mean the remainder of the additional ad valorem tax receipts derived from taxation of the Captured Assessed Value of the real property contained within and forming a part of the Redevelopment Project Site, and after the payment of the principal and interest on the Bond and the fees of the Paying Agent, which surplus shall be withheld by the City and used for any lawful municipal purpose as authorized by Section 21-45-21 of the Act.

"Transfer Agent" shall mean BancorpSouth, located in Jackson, Mississippi.

(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 such words and terms.

2. The Mayor and Aldermen, acting for and on behalf of the City, a public body corporate and politic and a City as defined in Title 21, Chapter 45, Section 3, the Act, is authorized and empowered by the Constitution and Statutes of the State of Mississippi, including Sections 21-45-1 through 21-45-21, Mississippi Code of 1972, as amended, to undertake and carry out redevelopment projects within an area determined by the Governing Body of the City to be in need of development and/or redevelopment and designated as appropriate for a redevelopment project, in accordance with the Redevelopment Plan and Tax Increment Financing Plan adopted by the Governing Body of the City.

3. Said redevelopment projects may include:

i. activities for the elimination and for the prevention of the development and spread of blight;

ii. slum clearance, redevelopment, rehabilitation, and conservation within a project area, including both demolition and removal of buildings and improvements; and

iii. a program of voluntary or compulsory repair and rehabilitation of buildings or other improvements within a project area in accordance with a redevelopment plan.

4. The Governing Body of the City has heretofore approved the Redevelopment Plan and the Tax Increment Financing Plan after conducting public hearings on each as required by the Act. The Tax Increment Financing Plan approved and provided for the issuance of a tax increment limited obligation bond up to Two Hundred Fifty Thousand Dollars ($250,000.00) to finance the cost of the Public Improvement Project. The Public Improvement Project will be constructed and owned by the City and available for use by the general public.

5. The City desires to afford maximum opportunity, consistent with the sound needs of the City as a whole, for the rehabilitation and redevelopment of the Redevelopment Project area by private enterprise, and in order to utilize appropriate private and public resources to eliminate and prevent development or spread of urban blight, to encourage needed urban rehabilitation, to provide for the redevelopment of blighted areas, and to undertake such of the aforesaid activities or other feasible municipal activities as may be suitably employed to achieve the objectives of the Redevelopment Plan, the City encourages rehabilitation and clearance and redevelopment of portions of the Redevelopment Project area described in the Redevelopment Plan by carrying out a program of voluntary repair and rehabilitation of buildings or other improvements in accordance with the Redevelopment Plan, demolition and removal of buildings and improvements, and construction of improvements necessary for carrying out the redevelopment objectives in accordance with the Redevelopment Plan, and, as part of such program, the City from time to time is authorized to issue Bond to finance all or part of the costs of constructing or reconstructing streets, utilities and other public improvements in accordance with the Redevelopment Plan and to encourage private development in accordance with the Redevelopment Plan.

6. The City desires to issue and sell the Bond for the purpose of financing the cost of the Public Improvement Project in accordance with the Redevelopment Plan and the Tax Increment Financing Plan.

7. As an inducement to the City to issue the Bond and to apply the proceeds of such Bond to fund the cost of constructing the Public Improvement Project, it is contemplated by the City that a portion of the incremental increase in revenues from ad valorem taxes collected by the City with respect to increased property values on the real property from the Redevelopment Project shall be dedicated to and sufficient for the payment of principal of and interest on the Bond and the fees and expenses of the Paying Agent.

8. The Governing Body is authorized and empowered by the provisions of the Act to issue the Bond in the form and manner hereinafter provided for by the Act.

9. It has now become necessary to make provision for the preparation, execution and issuance of the said Bond.

10. All acts, conditions and things relative to the passage of this resolution, to the issuance of the first series of the Bond and to the execution of any documents necessary in connection therewith as required by the Act, or the Constitution or the laws of the State of Mississippi to happen, exist and be performed precedent to and in the passage of this resolution and precedent to the issuance of the Bond have happened, do exist and have been performed as required by law.

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

SECTION 1. **(a)** In consideration of the purchase and acceptance of the Bond by the Purchaser, this Bond Resolution shall constitute a contract between the City and the Registered Owner of the Bond. 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 Owner of the Bond.

(b) For the purpose of effecting and providing for the payment of the principal of and interest on the Bond and the fees and expenses of the Paying Agent as the same shall respectively mature and accrue, there is hereby irrevocably pledged:

i. the avails of the Tax Increment authorized herein as the same is received;

ii. the amounts held on behalf of the City in the funds and accounts established herein, namely the Construction Fund and the Bond Fund.

Should there be a failure in any year to comply with the requirements of this subsection (b), such failure shall not impair the right of the Registered Owner of the Bond to subsequently receive payments of principal of and interest on the Bond from the avails of the Tax Increment, or amounts in the funds and accounts named in this subsection. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the benefit, protection and security of the Registered Owner of the Bond.

SECTION 2. One Bond is hereby authorized and ordered to be prepared and issued in the principal amount of Two Hundred Fifty Thousand Dollars ($250,000) to raise money for the Public Improvement Project as authorized by the Act.

SECTION 3. **(a)** Payments of interest on the Bond shall be made by check or draft mailed to the Record Date Registered Owner, and payments of principal shall be made to the Record Date Registered Owner on the dates and in the amounts set forth below and the final payment of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent in lawful money of the United States of America. Payments of interest and principal shall be made in lawful money of the United States of America.

(b) The Bond shall be registered as to both principal and interest; shall be dated February 1, 2004; shall be issued in the denomination of $250,000 maturing serially as set forth below; shall be numbered R-1; shall bear interest from the date thereof at the rates set forth below, payable on March 1 of each year commencing March 1, 2005 and on each succeeding March 1 thereafter until the outstanding principal amount shall have been paid in full; and shall mature and become due and payable, subject to redemption as hereinbelow stated, on March 1, in the years and in the principal amounts as follows:

YEAR	*AMOUNT*	*RATE*
(March 1 Maturity)		
2004	$ - 0 -	4.25%
2005	13,000	4.25
2006	13,000	4.25
2007	14,000	4.25
2008	14,000	4.25
2009	15,500	4.25
2010	16,000	4.25
2011	16,000	4.25
2012	17,000	4.25
2013	17,000	4.25
2014	18,500	4.25
2015	19,000	4.25
2016	19,000	4.25
2017	19,000	4.25
2018	19,000	4.25
2019	20,000	4.25

The Bond is subject to redemption prior to maturity, at par, on any business day upon giving the Registered Owner written notice of the intention of the City to redeem the Bond not less than five (5) days prior to the date of redemption.

SECTION 4. **(a)** The Bond shall be executed by the manual signature of the Mayor and countersigned by the manual signature of the Clerk, with the seal of the City affixed thereto.

(b) The Bond shall mature in the amounts and on the dates hereinabove set forth and each serial maturity bond shall bear interest from its date to its stated maturity date at the interest rate specified in Section 3.

(c) The Bond shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions herein, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance and sale of the Bond, and the final, unqualified approving opinion of the Bond Counsel.

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

i. a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance and sale of the Bond;

ii. an authorization to the Transfer Agent, signed by the Mayor, to authenticate and deliver the Bond to the Purchaser.

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

SECTION 5.(a) The Transfer Agent, Paying Agent, Authentication Agent and Registration Agent shall be BancorpSouth, located in Jackson, Mississippi. The City specifically reserves the right to hereafter designate a separate Transfer Agent, Paying Agent, Authentication Agent and Registration Agent in its discretion in the manner hereinafter provided.

(b) So long as the Bond shall remain outstanding, the City shall maintain with the Transfer Agent records for the registration and transfer of the Bond. The Transfer Agent is hereby appointed registrar for the Bond, in which capacity the Transfer Agent shall register in such records and permit to be transferred thereon, the Bond.

(c) The Agent, being the Purchaser of the Bond, shall serve without compensation.

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

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

[BOND FORM]

UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
CITY OF CLINTON, MISSISSIPPI
TAX INCREMENT LIMITED OBLIGATION BOND
CLINTON PARKWAY PROJECT
SERIES 2004

NO. R-1 *$250,000.00*

Rate of Interest	*Maturity*	*Date of Original Issue*
(As set forth below)	*(As set forth below)*	*February 1, 2004*

Registered Owner: *BancorpSouth, Jackson, Mississippi*

Principal Amount: *Two Hundred Fifty Thousand Dollars*

The City of Clinton, 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, pursuant to the Act, in lawful money of the United States of America to the registered owner identified above, the principal amounts on the dates set forth below and with respect to the final serial maturity, upon the presentation and surrender of this Bond, at the principal office of BancorpSouth at its principal office in Jackson, Mississippi or its successor, as paying agent (the "Paying Agent") for one Tax Increment Limited Obligation Bond, Clinton Parkway Project, Series 2004, of the City (the "Bond"), on the maturity date identified below, 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 BancorpSouth, or its successor, as transfer agent for the Bond (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay, pursuant to the Act, 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 below, on March 1 of each year, commencing March 1, 2005, and on each March 1 thereafter until the outstanding principal amount shall have been paid in full, to the registered owner hereof who shall appear in the registration records of the City maintained by the

Transfer Agent as of the 15th day of the calendar month preceding the applicable interest payment date.

Principal and interest on the Bond shall be paid on the dates, in the principal amounts and at the rates of interest as follows:

YEAR	***AMOUNT***	***RATE OF INTEREST***
(March 1 Maturity)		
2004	$ - 0 -	4.25%
2005	13,000	4.25
2006	13,000	4.25
2007	14,000	4.25
2008	14,000	4.25
2009	15,500	4.25
2010	16,000	4.25
2011	16,000	4.25
2012	17,000	4.25
2013	17,000	4.25
2014	18,500	4.25
2015	19,000	4.25
2016	19,000	4.25
2017	19,000	4.25
2018	19,000	4.25
2019	20,000	4.25

Payments of interest on this Bond shall be made by check or draft mailed to such registered owner at his address as it appears on such registration records and payments of principal shall be made on the dates and in the amounts set forth above and with respect to the final maturity on March 1, 2019, upon presentation and surrender thereof at the principal office of the Paying Agent in lawful money of the United States of America.

This Bond is subject to redemption prior to maturity, at par, on any business day upon giving the Registered Owner written notice of the intention of the City to redeem the Bond not less than five (5) days prior to the date of redemption.

This Bond is issued to raise money for the purpose of providing funds necessary to defray the cost of constructing various infrastructure improvements in connection with the construction of the Clinton Parkway Project ("Redevelopment Project"), including but not limited to, installation of utilities such as water, sanitary sewer and natural gas lines; installation of drainage; construction of roadways with curb and gutter; installation of traffic signalization and signage; sidewalks; relocation of utilities; landscaping of right-of-way necessary for the installation of the infrastructure improvements described hereinabove; other incidental costs; and professional fees in connection with construction and development of the Redevelopment Project, capitalized interest and cost of issuance of the Bonds, which project is located in the City of Clinton, Mississippi, on approximately six (6) acres of land located at the southeast corner of the intersection of Clinton Parkway and Cynthia Street all of which constitutes the Public Improvement Project (the "Public Improvement Project").

This Bond is issued under the authority of the Constitution and statues of the State of Mississippi, including Sections 21-45-1 to 21-45-21, Mississippi Code of 1972 (the "Act"), and by the further authority of proceedings duly had by the Mayor and Aldermen of the City, including a resolution adopted by the Mayor and Aldermen on February 3, 2004 (the "Bond Resolution").

The Bond is registered as to both principal and interest. The Bond is issued in the form of a single Bond containing a maturity schedule in lieu of serial Bonds.

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

The City and 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 or the Paying Agent shall be affected by any notice to the contrary.

The Bond is 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 ad valorem tax to be levied annually upon the incremental increase in assessed value of all taxable real property within and forming a part of the Redevelopment Project as described in the Tax Increment Financing Plan, Clinton Parkway Project, City of Clinton, Mississippi, June 2003, as adopted by the Mayor and Aldermen of the City on June 17, 2003. The Bond Resolution defines the incremental increase in assessed value as the Tax Increment which is hereinafter defined.

"Captured Assessed Value" shall mean the incremental increase in assessed value of the real property within the Redevelopment Project Site when the Original Assessed Value is subtracted from the Current Assessed Value as of January 1, 2004 and each January 1 thereafter, all as set forth in the annual Assessment Certificate of the Hinds County Tax Assessor.

"Current Assessed Value" shall mean the amount by which the assessed value of the real property located thereon, located within the Redevelopment Project Site has increased or decreased from the Original Assessed Value, as certified annually by the

Hinds County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act.

"Original Assessed Value" shall mean the assessed value of the real property located within the Redevelopment Project Site as of January 1, 2003 as certified by the Hinds County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act.

"Redevelopment Project" shall mean the Clinton Parkway Project as described in detail in the Tax Increment Financing Plan, Clinton Parkway Project, City of Clinton, Mississippi, June 2003, and approved by the Mayor and Aldermen of the City on June 17, 2003, such project to be located on the Redevelopment Project Site.

"Redevelopment Project Site" means approximately six (6) acres of land located at the southeast corner of the intersection of Clinton Parkway and Cynthia Street and described in Exhibit A of the Bond Resolution upon which the Redevelopment Project shall be constructed.

"Tax Increment" shall mean the added increments of municipal ad valorem tax revenue resulting from the taxation of the Captured Assessed Value of the real property contained within and forming a part of the Redevelopment Project Site, which shall be so much of the additional tax revenues necessary and sufficient to pay the principal of and interest on the Bond issued by the City to construct the Public Improvement Project together with the annual fees and expenses of the Paying Agent, if any, but shall not include ad valorem taxes for school district purposes nor ad valorem taxes levied and collected for and on behalf of Hinds County, Mississippi.

Under the Bond Resolution, at such time as each annual principal and interest on the Bond have been paid along with the fees and expenses of the Paying Agent, the City is authorized to retain any surplus tax revenues and use such revenues for any lawful purpose.

THE BOND IS NOT AN OBLIGATION OF THE STATE OF MISSISSIPPI AND THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE BOND ARE NOT GUARANTEED BY THE STATE OF MISSISSIPPI. THE BOND IS NOT A GENERAL OBLIGATION OF THE CITY AND, EXCEPT AS HERETOFORE DESCRIBED, THE BOND SHALL NEVER CONSTITUTE AN INDEBTEDNESS OF THE CITY AND SHALL NOT GIVE RISE TO A PECUNIARY LIABILITY OF THE CITY OR A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS OF THE CITY. THE BOND IS A LIMITED OBLIGATIONS OF THE CITY SECURED SOLELY BY THE INCREMENTAL INCREASE IN AD VALOREM TAX REVENUES RECEIVED BY THE CITY FROM LEVYING AN AD VALOREM TAX ON THE REAL PROPERTY WHICH CONSTITUTES A PART OF THE REDEVELOPMENT PROJECT AND REDEVELOPMENT PROJECT SITE. AD VALOREM TAXES LEVIED AND COLLECTED ON PERSONAL PROPERTY WHICH CONSTITUTES A

PART OF THE REDEVELOPMENT PROJECT AND REDEVELOPMENT PROJECT SITE IS NOT PLEDGED TO THE PAYMENT OF THE BOND. AD VALOREM TAXATION FOR SCHOOL DISTRICT PURPOSES IS NOT PLEDGED TO THE PAYMENT OF THE BOND NOR ARE AD VALOREM TAXES LEVIED AND COLLECTED FOR AND ON BEHALF OF HINDS COUNTY, MISSISSIPPI.

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 Transfer 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 Bond, in order to make the same legal and binding 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.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual signature of the Mayor of the City, countersigned by the manual signature of the Clerk of the City, under the seal of the City, all as of the ______ day of February, 2004.

CITY OF CLINTON, MISSISSIPPI

BY:**______________________________________**
MAYOR

COUNTERSIGNED:

CITY CLERK
(Seal)

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

<u>CERTIFICATE OF REGISTRATION AND AUTHENTICATION</u>

This Bond is the Bond described in the within mentioned Bond Resolution and is the Tax Increment Limited Obligation Bond, Clinton Parkway Project, Series 2004, of the City of Clinton, Mississippi.

As Transfer Agent

BY:
Authorized Officer

Date of Registration and Authentication

[There shall be printed on the reverse of the Bond a registration certificate 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 a limited obligation of said City pursuant to law in a book kept in my office for that purpose and the issuance of the Bond was confirmed by a validation decree of the Chancery Court of Hinds County, Mississippi on ______________________, 2004.

Clerk

(Seal)

SECTION 7. In case the Bond shall become mutilated or be stolen, destroyed or lost, the City shall cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or Transfer Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the City or Transfer Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

SECTION 8. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bond and the fees and expenses of the Paying Agent, if any, as the same shall respectively mature and accrue, pursuant to Section 21-45-13 of the Act, there shall be and continue to be levied, as long as the Bond remains outstanding, a direct and continuing ad valorem tax upon all of the taxable real property within the geographical limits of the Redevelopment Project Site. All or any portion of the receipts from the levy and collection of the ad valorem tax on real property which represents the Tax Increment shall, after collection by the Tax Collector of the County, and payment delivery thereof to the Clerk, be withheld by the Clerk, who shall pay over all or a part of such Tax Increment to the Paying Agent in an amount sufficient to pay the annual principal and interest payment to the Paying Agent along with the fees and expenses of the Paying Agent, if any, which shall be a credit to the Bond Fund created pursuant to Section 12 hereof. Any such moneys so paid to the Paying Agent to the credit of the Bond Fund shall be expended only as provided in Section 12 hereof. The Tax Increment Surplus shall be retained by the City and used for any municipal purpose authorized by law.

Nothing in this Resolution shall be construed as a guarantee on the part of the State of Mississippi or Hinds County, Mississippi, to pay the principal of or interest on the Bond.

SECTION 9. The Bond shall have endorsed thereon, a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, and the Bond shall be entitled to the rights, benefits and security of this Bond Resolution. The Bond shall not be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on the Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer Agent.

SECTION 10. **[Reserved]**

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

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

SECTION 12. The City shall maintain with the Paying Agent, a Bond Fund in its name for the payment of the principal of and interest on the Bond, and the payment of Agents' fees in connection therewith, if any. There is hereby established a fund to be known as the " Series 2004 Tax Increment Bond Fund (Clinton Parkway Project)", (the "Bond Fund"), which fund shall be held by the Paying Agent. There shall be deposited into the Bond Fund:

i. The accrued interest and premium, if any, received upon delivery of the Bond as and when the same shall be received;

ii. Transfers made to the Bond Fund pursuant to Section 13 hereof ;

iii. Any income received from investment of monies in the Bond Fund;

iv. Surplus funds remaining in the Construction Fund upon completion of the Public Improvement Project;

v. Capitalized interest from funds on deposit in the Construction Fund to the extent that such payments are approved by the Governing Body of the City and Bond Counsel;

vi. Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bond, and which the Governing Body, in its discretion, may direct to be deposited into the Bond Fund.

SECTION 13. **(a)** The Paying Agent shall deposit all moneys received by it from the City, including but not limited to funds derived from the Tax Increment portion of the receipts from the levy and collection of the ad valorem tax of the Captured Assessed Value constituting a part of the Redevelopment Project Site, but excluding the proceeds of the Bond (other than for capitalized interest) and the Tax Increment Surplus, into a the Bond Fund. The Bond Fund shall be held by the Paying Agent which shall be a member of the Federal Deposit Insurance Corporation.

Not later than February 15, 2005, and each February 15 of each year thereafter in which the Bond is outstanding, the City shall pay to the Paying Agent for credit to the Bond Fund, an amount equal to the amount necessary to make the payment required on each interest or principal and interest payment date together with the annual fees and expenses of the Paying Agent, if any. The source of such funds shall be limited to the Tax Increment portion of the ad valorem tax receipts derived from the Captured Assessed Value.

(b) With respect to each interest payment date for the Bond, and as long as any principal of and interest on the Bond remain outstanding, the Paying Agent is hereby irrevocably authorized and directed to withdraw from the Bond Fund an amount which, shall equal the amount necessary to make the payment required on each principal and interest payment date and to pay the Registered Owner of the Bond as each appears on the registration books of the City maintained by the Paying Agent along with the fees and expenses of the Paying Agent, if any.

SECTION 14. There is hereby established a fund to be known as the "2004 Tax Increment Construction Fund (Clinton Parkway Project)" (the "Construction Fund") which fund shall be held by the City. The principal proceeds received upon the sale of the Bond, exclusive of accrued interest and premium, if any, shall be deposited into the Construction Fund. From the Construction Fund there shall be first paid the costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale, validation and delivery of the Bond. From the Construction Fund, there next may be established a reserve to pay all or a portion of the interest payment due on March 1, 2005 in an amount as may be determined by the City in accordance with the Act. The balance thereof shall be held for payment of the cost of the Public Improvement Project, as authorized by the Act. Cost of the Public Improvement Project shall be deemed to include all reasonable costs directly or indirectly related to the construction of the Public Improvement Project, including employment of engineers, attorneys and such other professional personnel as shall be necessary or useful in carrying out the construction of the Public Improvement Project. If any contract provides for retention of a portion of the contract price, there shall be paid from the Construction Fund only the net amount remaining after deduction of such portion, until such retainage becomes due in accordance with the terms of such contract.

Upon completion of construction of the Public Improvement Project, all remaining and unexpended funds remaining in the Construction Fund, if any, shall be transferred to the Paying Agent for deposit into the Bond Fund and the Public Improvement Project shall be dedicated to the City and shall at all times be available for use by the general public.

SECTION 15. Moneys in the Construction Fund, Bond Fund and all other accounts held by the City or the Paying Agent hereunder, if any, shall be invested in the same manner as permitted under the laws of the State of Mississippi for the investment generally of money of the City. Any income received from said investments shall be properly credited to the fund from which the investment was initially made.

SECTION 16. Principal of and interest on the Bond shall be paid to the Record Date Registered Owners at the addresses appearing in the registration records of the Transfer Agent pursuant to Section 3 hereof. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or interest payment date to be effective as of such date.

SECTION 17. The City hereby covenants that it shall not extend the time for the payment of the principal of or interest on the Bond directly or indirectly by any means or in any manner.

SECTION 18. **[Reserved]**

SECTION 19. (a) The Assessment Certificate of the Tax Assessor of Hinds County which is to be filed annually with the City is hereby approved in substantially the following form with such changes, additions, deletions, and modifications as shall be approved by the officers executing the Assessment Certificate their execution thereof signifying their approval:

ASSESSMENT CERTIFICATE OF TAX ASSESSOR
HINDS COUNTY, MISSISSIPPI
RE: ASSESSMENT OF VALUE OF REAL PROPERTY

Pursuant to and as required by Section 21-45-21, Mississippi Code of 1972, as amended and a resolution duly adopted by the Mayor and Aldermen of the City of Clinton, Mississippi, on February 3, 2004 (the " Bond Resolution"), I, Mike Barnes, the undersigned Tax Assessor of Hinds County, Mississippi, after having been requested and authorized to do so by the Bond Resolution, do hereby certify that:

1. Pursuant to the provisions of the Bond Resolution, the City has irrevocably pledged to the payment of the principal of and interest on the City's Tax Increment Limited Obligation Bond, Clinton Parkway Project, Series 2004, dated February 1, 2004 (the "Bond"), together with the annual fees and expenses of the Paying Agent, an amount equal to the Tax Increment, as defined below, from the avails of the City ad valorem tax generated from taxation of the Captured Assessed Value, as defined below.

2. The Original Assessed Value of the Redevelopment Project site and improvements thereon as determined by the Tax Assessor of Hinds County, Mississippi as of January 1, 2003 was $_________________________.

3. Based upon the true value of real property of $________________ that constitutes the Redevelopment Project and the Redevelopment Project Site as set forth in the City's Tax Increment Financing Plan (the "TIF Plan"), the Current Assessed Value of the Redevelopment Project Site and improvements thereon that constitute real property is $________________ as of January 1, 2004 as determined by the Tax Assessor of Hinds County, Mississippi.

4. The Captured Assessed Value of the Redevelopment Project as defined below and in Section 21-45-21, Mississippi Code of 1972, as amended, as of January 1, 2004 is $_____________.

5. On January 1, 2004 the incremental increase in ad valorem taxes resulting from City ad valorem taxation when applied to the Captured Assessed Value is estimated to be $________________ (the "Tax Increment") based upon an assessment ratio of fifteen percent (15%) of true value and the current City millage rate of _________________ mills.

6. The Bond Resolution requires that the use of the funds held within the Bond Fund, including the investment earnings thereon, is limited solely to payment of the principal of and interest on the Bond as each maturity respectively becomes due and payable together with the annual fees and expenses of the Paying Agent on the Bond, if any, and avails of the Tax Increment is pledged, pursuant to the Bond Resolution, to the Bond Fund to pay the principal of and interest on the Bond and the annual fees and expenses of the Paying Agent on the Bond, if any. A portion of the Bond proceeds

may be used to supplement the Tax Increment in order to pay accrued interest on the Bond on March 1, 2005.

For purposes of the Certificate, the following words and phrases shall have the following meaning:

"Captured Assessed Value" means the incremental increase in assessed value of the real property within the Redevelopment Project Site when the Original Assessed Value is subtracted from the Current Assessed Value as of January 1, 2004 and each January 1 thereafter, as set forth in the annual Assessment Certificate of the Hinds County Tax Assessor.

"Current Assessed Value" means the amount by which the assessed value of real property located thereon, within the Redevelopment Project Site has increased or decreased from the Original Assessed Value, as certified annually by the Hinds County Tax Assessor and/or the Clerk of the City as defined in Section 21-45-21 of the Act.

"Original Assessed Value" means the assessed value of the real property located within the Redevelopment Project Site as of January 1, 2003 as certified by the Hinds County Tax Assessor and/or the Clerk of the City and as defined in Section 21-45-21 of the Act.

"Redevelopment Project" means the Clinton Parkway Project, as described in detail in the Tax Increment Financing Plan, Clinton Parkway Project, City of Clinton, Mississippi, June 2003, and approved by the Mayor and Aldermen of the City on June 17, 2003, such project being located on the Redevelopment Project Site.

"Redevelopment Project Site" means approximately six (6) acres of land located at the southeast corner of the intersection of Clinton Parkway and Cynthia Street and described in Exhibit A of the Bond Resolution upon which the Redevelopment Project shall be constructed.

"Tax Increment" means the added increments of municipal ad valorem tax revenue resulting from the taxation of the Captured Assessed Value of the real property contained within and forming a part of the Redevelopment Project Site which shall be so much of the additional tax revenues necessary and sufficient to pay the principal of and interest on the Bond issued by the City for the Public Improvements Project together with the annual fees and expenses of the Paying Agent, if any, but shall not include ad valorem taxes for school district purposes nor ad valorem taxes levied by and collected for the benefit of Hinds County, Mississippi.

This the ________ day of _____________, 200____.

HINDS COUNTY, MISSISSIPPI

By:

TAX ASSESSOR

SECTION 20. The Mayor and the Clerk of the City are hereby authorized to execute and deliver such documents and/or agreements in connection with the issuance of the Bond and the Redevelopment Project as shall be necessary to comply and conform with the terms and conditions of the Code, the Tax Increment Financing Plan and this Resolution as shall be approved by the officer of the City executing and delivering the same, the execution thereof by such officers to be conclusive evidence of such approval.

SECTION 21. The City Clerk is hereby authorized and directed to annually obtain from the Tax Assessor the Assessment Certificate in appropriate form and as may be required by Section 21-45-21 of the Act.

SECTION 22. The Bond shall be sold to the Purchaser who shall hold and keep the Bond for its own account without any right or privilege to sell, resell, transfer or assign the Bond or any interest in the Bond without the prior written approval of the Governing Body of the City and Bond Counsel.

SECTION 23. The Bond is designated as a portion of the $10,000,000 allowed as "Qualified Tax Exempt Obligation" for purposes of section 265(b) of the Internal Revenue Code of 1986. The City does not anticipate issuing in excess of $10,000,000 of such qualified tax exempt obligations during the 2004 calendar year.

SECTION 24. (a) The City covenants and certifies to and for the benefit of the Registered Owner of the Bond 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 Bond, including amounts treated as proceeds, if any, which will cause the Bond 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 Bond, at the time of such action, investment or use.

(b) The City reasonably expects that it will not expend in excess of $5,000,000 in tax exempt obligations during calendar year 2004. Accordingly, if those reasonable expectations are correct, the Bond is exempt from rebate pursuant to Section 148(f) of the Code.

(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 Bond 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 Bond in a manner or for a price which would cause any of the Bond 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 and/or Clerk are hereby authorized to execute all required documents and certificates necessary in order to issue the Bond including a "nonarbitrage and federal tax certificate" in connection with the sale and delivery of the Bond, setting forth the reasonable expectations of the City with respect to the investment and use of proceeds of the Bond and also setting forth certain covenants, stipulations and certifications with respect to the investment and expenditures of the proceeds of the Bond, and the City shall comply with all certifications, stipulations and covenants set forth in such certificate.

SECTION 30. 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.

Alderman ______________________________ made a motion to approve the foregoing Resolution, Alderman ______________________________ seconded the motion to adopt the foregoing Resolution, and the vote thereupon was as follows:

Alderman Jehu W. Brabham voted:__________
Alderman Tony Hisaw voted:__________
Alderman Tony Greer voted:__________
Alderman Clint Brantley voted:__________
Alderman Phil Fisher voted:__________
Alderman Herb Touchton voted:__________
Alderman Sharbert K. Lott voted:__________

The motion having received the foregoing vote of the Governing Body, the Mayor declared the motion carried and the resolution adopted this the ______ day of __________________, 2004.

CITY OF CLINTON, MISSISSIPPI

By:
Rosemary Aultman, Mayor

ATTEST:

____

Wayne Derrick, City Clerk

EXHIBIT A

The Redevelopment Project Site