

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

COUNTY OF LAFAYETTE

CITY OF OXFORD

REGULAR MEETING

June 19, 2007

6:00 p.m.

CALL TO ORDER:

The meeting of the Mayor and Board of Aldermen of the City of Oxford, Mississippi, was called to order by Mayor Howorth at 6:00 p.m. on Tuesday, June 19, 2007, in the courtroom of City Hall when and where the following were present:

Richard Howorth - Mayor
Pat Patterson – Alderman Ward I
E.O. Oliver – Alderman Ward II
Janice Antonow – Alderman Ward III
Preston Taylor – Alderman Ward V
Jon Fisher – Alderman Ward VI
Dr. Bill Baker- Alderman At-Large

Mayo Mallette PLLC – Of Counsel
Lisa Carwyle – City Clerk
Tim Akers- Director of Planning
David Bennett – Director of Public Works
Al Hope – Personnel Director
Mike Martin– Asst. Chief Oxford Police Dept
Jerry Johnson- Chief of Oxford Fire Dept
Randy Russell – Superintendent of Sanitation
Billy Lamb – Superintendent of Bldg & Grnds
Kleb Johnson – Director of Parks and Rec
Hugh Stump – Director of Oxford Conference

AGENDA:

It was moved by Alderman Antonow, seconded by Alderman Fisher to adopt the agenda for the meeting. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

MAYOR'S REPORT:

As I think most everyone knows by now, nine firefighters lost their lives last night in a fire in Charleston, South Carolina. This is an occurrence we hope never happens in this community, but it may, as all Oxford Fire Department personnel know, and as we must remember with our gratitude and respect. The International Association of Fire Chiefs has issued notice that today, at 6:00 p.m. Central Time, Fire Departments everywhere take a moment of silence in memory of those nine who lost made the ultimate sacrifice last night. Please let us join them in a moment of silence at this time.

Tonight we will honor several long-time city employees who are retiring. Several of us attended the ceremony at NMRC last week honoring the service of their long-time Director, Dr. Carole Haney. On behalf of all Oxford citizens, this board wishes to extend to her our appreciation for the splendid leadership this Oxford native has given to NMRC and especially for the way that she has helped make the Regional Center such an integral part of our community. We wish her well.

Recently several aldermen and staff met at the “Old Dog Pound” property south of town to discuss the possibility of a small civic park on this property. As this area and South Oxford have grown, the need for a park in this part of town has become great. We later will be bringing plans forward for a small park here, and will try to include in the coming years budget funds for its development.

Dr Antonow, Dr. Baker, Tim Akers and I attended the recent regional MDOT regional transit meeting, hosted at the Conference Center. We remain optimistic about our chances for more public transit opportunities here.

I have been working this week with staff evaluations and initial budget preparations, a busy time of year for this board and me.

I would like to take a second to praise Bob Opalko and Chris Simmons for the work they have put into the city’s website. The city’s website continues to develop as a broad source of fresh information for citizens. We now have up to date information about area infrastructure projects, the most recent drafts of ordinance proposals, and citizens have the option to have emailed to them regular meeting agendas as soon as they are released. Please let us know of your ideas for what you would like to see at www.oxfordms.net.

MINUTES:

It was moved by Alderman Fisher, seconded by Alderman Antonow to approve the minutes of the regular board meeting on June 5, 2007. All the aldermen voting aye, Mayor Howorth declared the motion carried.

ACCOUNTS:

It was moved by Alderman Baker, seconded by Alderman Fisher to approve all City accounts including the Electric Department. All the aldermen voting aye, Mayor Howorth declared the motion carried.

OXFORD LAFAYETTE
COUNTY LIBRARY:

Mrs. Dotsy Fitts came before the Mayor and Board of Aldermen to request 1.75 mills or \$210,000.00 for next year's budget. The Mayor thanked them for their work in the community.

WATER AND SEWER
REVENUE BONDS:

It was moved by Alderman Patterson, seconded by Alderman Baker to adopt the following resolution. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

There came on for consideration the matter of the issuance of combined water and sewer system revenue bonds of the City of Oxford, Mississippi and, after a discussion of the subject matter, Alderman Pat Patterson offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF COMBINED WATER AND SEWER SYSTEM REVENUE BONDS OF THE CITY OF OXFORD, MISSISSIPPI IN THE AGGREGATE PRINCIPAL AMOUNT OF TWO MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$2,800,000), TO RAISE MONEY FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, REPAIRING AND/OR EXTENDING THE COMBINED WATERWORKS AND SEWAGE SYSTEM OF THE CITY OF OXFORD, MISSISSIPPI; PRESCRIBING THE FORM AND INCIDENTS OF SAID REVENUE BONDS; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF SAID SYSTEM IN AN AMOUNT SUFFICIENT TO PAY THE COST OF THE OPERATION AND MAINTENANCE THEREOF AND TO PAY THE PRINCIPAL OF AND INTEREST ON SAID REVENUE BONDS; MAKING PROVISION FOR CERTAIN FUNDS IN CONNECTION WITH SAID SYSTEM AND REVENUE BONDS; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF SAID REVENUE BONDS; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A FINAL OFFICIAL STATEMENT IN CONNECTION WITH SAID REVENUE BONDS; AND FOR RELATED PURPOSES.

WHEREAS, the Mayor and Board of Aldermen (the "Board") of the City of Oxford, Mississippi (the "City") is authorized under the provisions of Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), to issue revenue bonds of the City in such amounts as it may find necessary and proper and for the purposes set forth in the Act, including, but not limited to, the acquisition, construction, enlargement, improvement, repair and/or extension of the City's combined waterworks and sewage system (the "System"); and

WHEREAS, by resolution adopted on February 6, 2007 (the "February Resolution"), the Board found and determined that it is necessary and proper for the City to acquire, construct, enlarge, improve, repair and/or extend the System (the "Project") which Project is to be done substantially in accordance with plans and specifications prepared by competent engineers employed by the City and approved by the Board; and

WHEREAS, the Board has previously caused an estimate to be made of the costs of the Project by competent engineers employed by the City from which estimates the Board finds and determines that the contemplated costs thereof will not exceed Two Million Eight Hundred Thousand Dollars (\$2,800,000); and

WHEREAS, as a result of a study done by such competent engineers, the Board finds and determines that the estimated life of the Project will be at least twenty five (25) years; and

WHEREAS, it is necessary for the health and well-being of the citizens of the City to issue combined water and sewer system revenue bonds of the City pursuant to the provisions of the Act in order to finance the costs of the Project; and

WHEREAS, it is necessary, proper and economically feasible that the City issue combined water and sewer system revenue bonds pursuant to the Act for the purposes herein stated and under the procedures hereinafter set forth and as provided by law; and

WHEREAS, the Project is in accordance with the provisions of the Act; and

WHEREAS, as a result of the findings in the study of such competent engineers, the Project and the costs thereof are economically feasible; and

WHEREAS, pursuant to the provisions of the Act, the Board is authorized to issue combined water and sewer system revenue bonds of the City to finance the costs of the Project; and

WHEREAS, said revenue bonds would be secured by a lien on and payable solely from the Net Revenues (as hereinafter defined) of the System; and

WHEREAS, said revenue bonds will be issued on parity with the City's \$1,500,000 (original principal amount) Water and Sewer System Revenue Bonds, Series 1996, dated September 1, 1996, the City's \$1,900,000 (original principal amount) Combined Water and Sewage System Revenue Bonds, Series 2003, dated December 1, 2003, the City's \$1,800,000 (original principal amount) Combined Water and Sewer System Revenue Bonds, Series 2004, dated November 1, 2004, and the City's \$3,400,000 (original principal amount) Combined Water and Sewer System Revenue Bonds, Series 2006, dated June 1, 2006 (collectively, the "Prior Bonds") which are also secured by the Net Revenues of the System; and

WHEREAS, in the February Resolution, the Board declared its intention to issue Combined Water and Sewer System Revenue Bonds of the City pursuant to the Act in an aggregate principal amount not to exceed Two Million Eight Hundred Thousand Dollars (\$2,800,000) for the purpose of financing the Project; and

WHEREAS, as required by Section 21-27-43 of the Act, a Notice of Resolution Evidencing Intent to Issue Combined Water and Sewer System Revenue Bonds of the City of Oxford, Mississippi (the "Notice of Resolution") was published in *The Oxford Eagle*, a newspaper published in and having a general circulation in the City and qualified under the provisions of the laws of the State of Mississippi, on February 8, 15 and 22, 2007, said publication being for three (3) consecutive weeks, with the last publication being made more than ten (10) days prior to March 6, 2007; and

WHEREAS, as of the hour of 6:00 p.m. on March 6, 2007, no qualified elector of the City had filed a written protest or objection of any kind or character against the issuance of such revenue bonds with the City or any member of the Board; and

WHEREAS, at the hour of 6:00 p.m. on March 6, 2007, at the usual meeting place of the Board, in the City Hall located at 107 Courthouse Square in the City, all persons present or represented by counsel or otherwise were given the opportunity to be heard concerning the issuance of such revenue bonds and the purpose for which such revenue bonds will be issued and no protest or objection of any kind or character against the issuance of such revenue bonds or the purpose for which they are to be issued was presented; and

WHEREAS, by resolution adopted on March 6, 2007, the Board found and determined that the Notice of Resolution was duly published as required by law, that no protest or objection of any kind or character against the issuance of such revenue bonds or the purpose for which they are to be issued was presented and that the Board is now authorized and empowered by the provisions of the Act to issue revenue bonds without an election on the question thereof within two (2) years from March 6, 2007; and

WHEREAS, by resolution adopted on June 5, 2007 (the "June Resolution"), the Governing Body authorized and approved the issuance of Two Million Eight Hundred Thousand Dollars (\$2,800,000) aggregate principal amount Combined Water and Sewer System Revenue Bonds, Series 2007 (the "Series 2007 Bonds") of the City to raise money for the Project, approved the form of and authorized the publication of a Notice of Bond Sale (the "Notice of Sale") in connection with the Series 2007 Bonds and approved the form of and authorized the distribution of a Preliminary Official Statement (the "Preliminary Official Statement") in connection with the Series 2007 Bonds; and

WHEREAS, pursuant to the June Resolution, the Notice of Sale was published in *The Oxford Eagle*, a newspaper published in and having a general circulation in the City and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, on June 8 and June 15, 2007, in the form attached hereto as Exhibit A and made a part hereof; and

WHEREAS, pursuant to the June Resolution, the Preliminary Official Statement and an Official Bid Form (the "Bid Form") were distributed to potential purchasers of the Series 2007 Bonds in the forms attached hereto as Exhibit B and made a part hereof; and

WHEREAS, at or prior to the hour of 4:00 p.m. on this the 19th day of June, 2007, there were filed with the City, three (3) sealed bids on the Bid Form, copies of which are attached hereto as Exhibit C and made a part hereof, for the purchase of the Series 2007 Bonds pursuant to the terms and provisions of the Notice of Sale, as follows:

Name of Bidder	Net Interest Rate
Wiley Bros.-Aintree Capital	4.968888%
Duncan-Williams, Inc.	4.991933
Ross Sinclair & Associates, Inc.	4.990689

AND EACH OF SAID BIDS WAS ACCOMPANIED BY A CASHIER'S CHECK, CERTIFIED CHECK, OR EXCHANGE, ISSUED OR CERTIFIED BY A BANK LOCATED IN THE STATE OF MISSISSIPPI, IN THE AMOUNT OF FIFTY-SIX THOUSAND DOLLARS (\$56,000) AS EVIDENCE OF THE GOOD FAITH OF EACH OF SAID BIDDERS; AND

WHEREAS, each of said bids has been read at length and considered by the Governing Body; and

WHEREAS, at the direction of the Governing Body, Government Consultants, Inc. (the "Financial Advisor") has determined which of said bids produced the lowest net interest rate (as defined in the Notice of Sale); and

WHEREAS, the bid of Wiley Bros. - Aintree Capital (the "Purchaser") produces the lowest net interest rate for the Series 2007 Bonds which rate is 4.968888%; and

WHEREAS, the best interest of the City will be served by the acceptance of the bid of the Purchaser; and

WHEREAS, the issuance of the Series 2007 Bonds for the purpose of providing funds to finance the Project will result in a substantial public benefit to the citizens of the City; and

WHEREAS, the Series 2007 Bonds are being issued on parity with the Prior Bonds; and

WHEREAS, the amount of the Series 2007 Bonds, when added to the outstanding indebtedness of the City, will not exceed any constitutional or statutory limitation of indebtedness; and

WHEREAS, there are no other available funds on hand or from regular sources of income for such purposes; and

WHEREAS, the Governing Body now finds and determines that it is necessary, advisable and in the public interest that the Series 2007 Bonds be issued as hereinafter provided.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF OXFORD, MISSISSIPPI, ACTING FOR AND ON BEHALF OF SAID CITY, ON THIS THE 19TH DAY OF JUNE, 2007 AS FOLLOWS:

SECTION 1. Each and all of the facts and findings set forth in the premises clauses of this resolution are hereby found and determined to be true and accurate and are incorporated herein by this reference thereto as though set forth again in words and figures.

SECTION 2. 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 21-27-11 *et seq.*, Mississippi Code of 1972, as amended.

"Additional Bonds" shall mean additional bonds issued hereafter on parity with the Series 2007 Bonds and secured by Net Revenues pursuant to the Bond Resolution.

"Arbitrage Rebate Agreement" shall mean the Arbitrage Rebate Agreement, dated as of June 1, 2007, by and between the City and the Paying Agent.

"Bonds" shall mean the Series 2007 Bonds, the Prior Bonds and any Additional Bonds issued on parity with the Series 2007 Bonds and secured by Net Revenues.

"Bond Counsel" shall mean Baker, Donelson, Bearman, Caldwell & Berkowitz, PC, Jackson, Mississippi.

"Bond Resolution" shall mean collectively, the resolutions adopted by the Governing Body on February 6, 2007, March 6, 2007, June 5, 2007 and June 19, 2007, authorizing and directing the issuance of the Series 2007 Bonds.

"Bond Year" shall mean the period commencing on the date of the delivery of the Series 2007 Bonds of any year and ending on the last day preceding the date of the delivery of the Series 2007 Bonds of the following year and each 12 month period thereafter until final maturity of the Series 2007 Bonds.

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

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

"Closing" shall mean the date of the delivery of the Series 2007 Bonds.

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

"Consulting Engineers" shall mean Precision Engineering Corporation or any engineer or engineering firm subsequently employed in connection with the Project or for the purposes set out in the Bond Resolution.

"Costs of the Project" shall mean the costs of acquisition and construction of the Project and, without intending thereby to limit or restrict any proper definition of such term under the provisions of the Act or the Bond Resolution, shall include the following:

(a) obligations incurred for labor and materials, for contractors, builders and materialmen in connection with construction, for machinery and equipment, for the restoration or relocation of property damaged or destroyed in connection with such construction, for the removal or relocation of structures and for the clearing of lands;

(b) the cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any deposit in court or award or final judgment in or any settlement or compromise of any proceeding to acquire by eminent domain, lands, property, property rights, rights-of-way, easements, franchises, licenses, options and partial payments thereon, the cost of demolishing or removing or relocating any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, and the amount of any damages incident to or consequent upon the construction and operation of the Project;

(c) taxes or other municipal or governmental charges lawfully levied or assessed during construction upon the Project or any property acquired therefor, and premiums on insurance (if any) in connection with the Project during construction;

(d) the cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Project, and fees and expenses of engineers for making surveys and estimates of costs and of revenues and other estimates and for preparing plans and specifications and supervising construction, as well as for the performance of all other duties of engineers set forth in the Bond Resolution in relation to the construction of the Project and the issuance of the Series 2007 Bonds;

(e) expenses of administration properly chargeable to the Project, expenses of officers of the City in connection with the Series 2007 Bonds, legal expenses and fees, fees and expenses of any financial advisor or consultant, financing charges, capitalized interest, costs of audits and of preparing and issuing the Series 2007 Bonds, payments in connection with a reserve for debt service and all other items of expense reasonably incurred incident to the acquisition, construction and equipping of the Project, the financing thereof, the placing of the same in operation (including the initial premiums on any insurance required or obtained under the provisions of the Bond Resolution) and the acquisition of franchises and interest therefor, including abstracts of title, title insurance, costs of surveys and other expenses in connection with such acquisition; and

(f) any obligation or expense heretofore or hereafter incurred and any amount heretofore or hereafter advanced by the City for any of the foregoing purposes.

"Current Expenses" shall mean the reasonable and necessary current expenses of maintenance, repair and operation of the System and shall include, without limiting the generality of the foregoing, expenses not annually recurring, premiums for insurance, administrative and engineering expenses relating to maintenance, repair and operation, fees and expenses of the Paying Agent, legal expenses, taxes lawfully imposed on the System, reasonable payments to pension or retirement funds for employees of the System, General Fund Administration Charges and any other expense of the System required or permitted to be paid by the City under the provisions of the Bond Resolution or by law, but shall not include any allowance for depreciation or deposits or transfers to the credit of the 2007 Bond and Interest Fund, the 2007 Debt Service Reserve Fund, the 2007 Depreciation Fund or the 2007 Contingent Fund.

"Debt Service Reserve Fund Requirement" shall mean the lesser of (a) 10% of the stated principal amount of the Bonds, (b) the maximum annual debt service calculated with respect to the Bonds, or (c) 125% of the average annual debt service calculated with respect to the Bonds, to the extent permitted by the Code.

"Fiscal Year" shall mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"General Fund Administration Charges" shall mean charges to the System for its pro rata share of general City support services, including but not limited to, personnel, data processing, finance, accounting and other generally applicable services.

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

"Mayor" shall mean the Mayor of the City.

"Net Revenues" shall mean all Revenues remaining after payment of Current Expenses.

"1996 Bond Resolution" shall mean the resolution adopted by the Governing Body on August 22, 1996, authorizing and directing the issuance of the Series 1996 Bonds.

"Operation and Maintenance Fund" shall mean the fund by that name provided for in the 1996 Bond Resolution.

"Paying Agent" shall mean any bank, trust company or other institution designated by the Governing Body to make payments of the principal of and interest on the Series 2007 Bonds, and to serve as registrar and transfer agent for the registration of owners of the Series 2007 Bonds, and for the performance of other duties as may be specified by the Governing Body.

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

"Principal and Interest Requirements" for any Bond Year shall mean the sums sufficient for the payment of the principal of and interest on the Series 2007 Bonds which will mature and accrue during such period.

"Prior Bonds" shall mean the Series 1996 Bonds, the Series 2003 Bonds, the Series 2004 Bonds and the Series 2006 Bonds.

"Prior Resolutions" shall mean the 1996 Bond Resolution, the 2003 Bond Resolution, the 2004 Bond Resolution and the 2006 Bond Resolution.

"Project" shall mean the acquisition, construction, enlargement, improvement, repair and/or extension of the System.

"Purchaser" shall mean Wiley Bros. - Aintree Capital, the successful bidder for the Series 2007 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 Series 2007 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.

"Resolution" shall mean collectively the Bond Resolution and the Prior Resolutions.

"Revenue Fund" shall mean the fund by that name provided for in the 1996 Bond Resolution.

"Revenues" shall mean all payments, proceeds, fees, charges, rents and all other income derived by or for the account of the City from its ownership and operation of the System,

excluding all acreage, front-footage, assessment and similar fees and charges derived by the City in connection with the provision of or payment for capital improvements constituting a part of the System.

"Series 1996 Bonds" shall mean the \$1,500,000 (original principal amount) City of Oxford, Mississippi Combined Water and Sewer System Revenue Bonds, Series 1996, dated September 1, 1996.

"Series 2003 Bonds" shall mean the \$1,900,000 (original principal amount) City of Oxford, Mississippi Combined Water and Sewage System Revenue Bonds, Series 2003, dated December 1, 2003.

"Series 2004 Bonds" shall mean the \$1,800,000 (original principal amount) City of Oxford, Mississippi Combined Water and Sewer System Revenue Bonds, Series 2004, dated November 1, 2004.

"Series 2006 Bonds" shall mean the \$3,400,000 (original principal amount) City of Oxford, Mississippi Combined Water and Sewer System Revenue Bonds, Series 2006, dated June 1, 2006.

"Series 2007 Bonds" shall mean the Combined Water and Sewer System Revenue Bonds, Series 2006, of the City in the aggregate principal amount of \$2,800,000, to be dated June 1, 2007.

"State" shall mean the State of Mississippi.

"System" shall mean the combined waterworks and sewage system of the City, including any enlargement and extension thereof.

"2003 Bond Resolution" shall mean the resolution adopted by the Governing Body on December 16, 2003, authorizing and directing the issuance of the Series 2003 Bonds.

"2004 Bond Resolution" shall mean the resolution adopted by the Governing Body on November 4, 2004, authorizing and directing the issuance of the Series 2004 Bonds.

"2006 Bond Resolution" shall mean the resolution adopted by the Governing Body on June 20, 2006, authorizing and directing the issuance of the Series 2006 Bonds.

"2007 Bond and Interest Fund" shall mean the fund by that name provided for in this resolution.

"2007 Construction Fund" shall mean the fund by that name provided for in this resolution.

"2007 Contingent Fund" shall mean the fund by that name provided for in this resolution.

"2007 Current Debt Service Account" shall mean the subaccount by that name provided for in this resolution.

"2007 Debt Service Reserve Fund" shall mean the subaccount by that name provided for in this resolution.

"2007 Depreciation Fund" shall mean the fund by that name provided for in this resolution.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders, and words importing persons shall include firms, partnerships, corporations, trusts and unincorporated organizations. 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.

SECTION 3. Proceeding under the authority of the Act and this resolution, the Series 2007 Bonds be, and are hereby, authorized, ordered and directed to be issued in the principal amount of Two Million Eight Hundred Thousand Dollars (\$2,800,000) to raise money for the Project. The principal of and the interest on the Series 2007 Bonds shall be payable in accordance with and as authorized by this resolution and the Act.

SECTION 4. (a) The bid of the Purchaser be, and is hereby, declared to be the best responsible bid and the one offering to purchase the Series 2007 Bonds at such prices and at such rates of interest as will produce the lowest net interest rate on the Series 2007 Bonds and said bid be, and is hereby accepted subject to the conditions of the Notice of Sale and this resolution.

(b) The Mayor and the Clerk be, and are hereby, authorized and directed to accept the bid of the Purchaser, and the good faith check received with said bid, in the amount of Fifty-Six Thousand Dollars (\$56,000), shall be collected, deposited and invested by the City in accordance

with the terms of the Notice of Sale and the provisions of the Act, and shall be applied in part payment for the Series 2007 Bonds to secure the City from any loss resulting from the failure of the Purchaser to comply with the terms of its bid. All other good faith checks shall be returned to the unsuccessful bidders by the Clerk.

(c) The Mayor and the Clerk, be and are hereby, authorized to endorse upon the Bid Form of the Purchaser, for and on behalf of the City, a suitable notation as evidence of the acceptance of the bid of the Purchaser and to do all other acts and things required to evidence acceptance of the successful bid of the Purchaser.

SECTION 5. (a) The Series 2007 Bonds shall be registered as to both principal and interest; shall be dated June 1, 2007; shall be issued in the 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 (calculated on the basis of a year of 360 days and twelve 30-day months) from the date thereof at the following rates per annum in accordance with the bid of the Purchaser, payable semiannually on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2008; and shall mature and become due and payable, with option of prior payment, on June 1 in the years and principal amounts, as follows:

Year	Principal Amount	Interest Rate/ Coupon	Year	Principal Amount	Interest Rate/ Coupon
2008	\$ 85,000	6.000%	2018	\$ 140,000	4.750%
2009	90,000	6.000	2019	145,000	5.000
2010	95,000	6.000	2020	150,000	5.000
2011	100,000	6.000	2021	160,000	4.800
2012	105,000	6.000	2022	165,000	4.875
2013	110,000	6.000	2023	175,000	4.875
2014	115,000	4.500	2024	185,000	5.000
2015	120,000	4.625	2025	190,000	5.000
2016	125,000	4.625	2026	200,000	5.000
2017	135,000	4.625	2027	210,000	5.000

(b) The Series 2007 Bonds maturing in the years 2018 through 2027, inclusive, are subject to redemption prior to their respective maturities at the election of the City on or after June 1, 2017, either in whole on any date, or in part on any Interest Payment Date, (as selected by the City among maturities and by lot within each maturity) at the principal amount thereof, together with the interest accrued thereon to the date fixed for redemption and without premium.

At least thirty (30) days before the redemption date of any Series 2007 Bonds, the Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the Clerk, (a) to be filed with the Paying Agent and (b) to be mailed, postage prepaid, to all Record Date Registered Owners at their addresses as they appear on the registration records herein provided for, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price, the place or places at which payment shall be made and, if less than all of the Series 2007 Bonds of any one maturity shall be called for redemption and the distinctive numbers and letters, if any, of such Series 2007 Bonds to the redeemed.

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Series 2007 Bonds so called for redemption shall become due and payable at the price provided for redemption of such Series 2007 Bonds on such date, and, if moneys for payment of such redemption price are held in a separate account by the Paying Agent for the Record Date Registered Owners of the Series 2007 Bonds to be redeemed, as provided in this resolution, interest on the Series 2007 Bond so called for redemption shall cease to accrue, such Series 2007 Bonds shall cease to be entitled to any benefit or security under this resolution, and the Record Date Registered Owners of such Series 2007 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

SECTION 6. (a) When the Series 2007 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 records maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse

side of each of the Series 2007 Bonds, over her manual or facsimile signature and manual or facsimile seal, her certificate in substantially the form set out in Section 7.

(b) The Series 2007 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 seal of the City imprinted or affixed thereto; provided, however, all signatures and seals appearing on the Series 2007 Bonds, other than the signatures 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 of whose signature shall appear on the Series 2007 Bonds shall cease to be such official before the delivery or reissuance 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 reissuance.

(c) The Series 2007 Bonds shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of the Notice of Sale and this resolution together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the Series 2007 Bonds, and the final, unqualified approving opinion of Bond Counsel, which opinion shall be imprinted on the reverse of each of the Series 2007 Bonds.

(d) Prior to or simultaneously with the delivery by the Paying Agent of the Series 2007 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 Series 2007 Bonds; and

(ii) an authorization to the Paying Agent, signed by the Mayor, to authenticate and deliver the Series 2007 Bonds to the Purchaser.

(e) The Paying Agent shall authenticate the Series 2007 Bonds and deliver them to the Purchaser upon payment of the purchase price of the Series 2007 Bonds to the City.

(f) Series 2007 Bonds, blank as to denominations, 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 reissuance needs on the Series 2007 Bonds, shall be printed and delivered to the Paying Agent in generally-accepted format, and held by the Paying Agent until needed for transfer or reissuance, 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. Subject to the approval of the Governing Body, the Paying Agent is hereby authorized to have printed from time to time as necessary additional Series 2007 Bonds bearing the facsimile seal of the City and facsimile signatures of the Persons who were the officials of the Governing Body as of the date of original issue of the Series 2007 Bonds.

(g) (i) So long as any of the Series 2007 Bonds shall remain outstanding, the City shall maintain with the Paying Agent records for the registration and transfer of the Series 2007 Bonds. The Paying Agent is hereby appointed registrar for the Series 2007 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 of the Series 2007 Bonds entitled to registration or transfer.

(ii) The City shall pay or reimburse the Paying Agent 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.

(iii) (1) A 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. Such 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 resolution.

(2) 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.

(3) In the event of a change of Paying Agents, the predecessor Paying Agent shall cease to be custodian of any funds held pursuant to this 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 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.

(4) Any successor Paying Agent appointed under the provisions hereof shall be a banking corporation, 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.

(5) 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.

(6) 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 instrument shall, on request, be executed, acknowledged and delivered by the City.

(7) 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 Series 2007 Bonds.

(8) All duties and obligations imposed hereby on a 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 resolution.

(iv) 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 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 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 6(g)(iii)(D) hereof.

SECTION 7. The Series 2007 Bonds shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this resolution:

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF OXFORD, MISSISSIPPI
COMBINED WATER AND SEWER SYSTEM REVENUE BOND,
SERIES 2007

NO. _____

\$ _____

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
		June 1, 2007	

Registered Owner:

Principal Amount:

The City of Oxford, 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, upon the presentation and surrender of this Bond, at the principal office of Hancock Bank, Gulfport, Mississippi, or its successor, as paying agent (the "Paying Agent") for the Combined Water and Sewer System Revenue Bonds, Series 2007, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof whose name shall appear in the registration records of the City maintained by the Paying Agent, which shall also serve as registrar and transfer agent, as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest (calculated on the basis of a year of 360 days and twelve 30-day months) 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 semiannually on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing June 1, 2008, 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.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his 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.

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 Two Million Eight Hundred Thousand Dollars (\$2,800,000) to raise money for the purpose of acquiring, constructing, enlarging, improving, repairing and/or extending the combined waterworks and sewage system of the City (the "System").

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including the provisions of Section 21-27-11 *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 resolutions adopted on February 6, 2007, March 6, 2007, June 5, 2007 and June 19, 2007 (collectively, the "Bond Resolution").

The Bonds are secured by a lien on Net Revenues of the System and are payable solely from such Net Revenues and any other security pledged for the Bonds. The Bonds are not general obligations of the City and the taxing power of the City is not being pledged to the payments of the Bonds or interest thereon. The Bonds are being issued on parity with the City's \$1,500,000 (original principal amount) Water and Sewer System Revenue Bonds, Series 1996, dated September 1, 1996, the City's \$1,900,000 (original principal amount) Water and Sewage System Revenue Bonds, Series 2003, dated December 1, 2003, the City's \$1,800,000 (original principal amount) Combined Water and Sewer System Revenue Bonds, Series 2004, dated November 1, 2004, and the City's \$3,400,000 (original principal amount) Combined Water and Sewer System Revenue Bonds, Series 2006, dated June 1, 2006 (collectively, the "Prior Bonds").

THE BOND RESOLUTION PROVIDES THAT UNDER CERTAIN CIRCUMSTANCES, ADDITIONAL BONDS MAY BE ISSUED BY THE CITY ON PARITY WITH THE BONDS AND THE PRIOR BONDS AND SECURED BY A PARITY LIEN ON NET REVENUES OF THE SYSTEM AND PAYABLE RATABLY FROM SUCH NET REVENUES ALONG WITH THE BONDS AND THE PRIOR BONDS.

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

The Bonds maturing in the years 2018 through 2027, inclusive, are subject to redemption prior to their respective maturities at the election of the City on or after June 1, 2017, either in whole on any date, or in part on any Interest Payment Date, (as selected by the City among maturities and by lot within each maturity) at the principal amount thereof, together with the interest accrued thereon to the date fixed for redemption and without premium.

At least thirty (30) days before the redemption date of any Bonds, the Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the Clerk, (a) to be filed with the Paying Agent and (b) to be mailed, postage prepaid, to all Record Date Registered Owners at their addresses as they appear on the registration records herein provided for, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price, the place or places at which payment shall be made and, if less than all of the Bonds of any one maturity shall be called for redemption and the distinctive numbers and letters, if any, of such Bonds to the redeemed.

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided, the Bonds so called for redemption shall become due and payable at the price provided for redemption of such Bonds on such date, and, if moneys for payment of such redemption price are held in a separate account by the Paying Agent for the Record Date Registered Owners of the Bonds to be redeemed, as provided in the Bond Resolution, interest on the Bond so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security under the Bond Resolution, and the Record Date Registered Owners of such Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof.

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 principal of and interest on this Bond shall be payable solely from the gross Revenues derived from the operation of the System, subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the System. The Bonds are secured by a lien on Net Revenues of the System. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory restriction, limitation or provision, and the taxing power of the City is not pledged to the payment hereof, either as to principal or interest.

The City covenants and agrees that it will perform all duties required by law and by the Bond Resolution; that it will apply the proceeds of this Bond to the purposes above set forth; that, as long as this Bond is outstanding, it will operate and maintain the System; that it will fix and maintain rates and make and collect charges for the services of the System, without regard to the user thereof, sufficient to provide for the operation and maintenance of the System in good repair and working order, to provide for the payment of the principal of and interest on this Bond as same shall mature and accrue, and to provide for a 2007 Debt Service Reserve Fund, a 2007 Depreciation Fund and a 2007 Contingent Fund, all as set forth in the Bond Resolution; and that such an amount of the gross Revenues of the System remaining after paying the expenses of operating and maintaining the System as will maintain the payment of the principal and interest on this Bond, as the same shall mature and accrue, is hereby irrevocably pledged to said purpose.

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 this Bond, in order to make the same a legal and binding obligation of the City, according to the terms hereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law.

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.

Terms capitalized herein shall have the same meaning as in the Bond Resolution, unless otherwise expressly provided herein.

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 manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, all as of the 1st day of June, 2007.

(SEAL)

CITY OF OXFORD, MISSISSIPPI

Mayor

ATTEST:

City Clerk

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 Combined Water and Sewer System Revenue Bonds, Series 2007 of the City of Oxford, Mississippi.

HANCOCK BANK, 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 forms:

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

LAFAYETTE COUNTY

I, the undersigned Clerk of the City of Oxford, 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 record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Lafayette County, Mississippi, rendered on the 26th day of June, 2007.

(SEAL)

City Clerk

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 registrar and transfer agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

Signature guaranteed:

(Bank, Trust Company or Paying Agent)

(Authorized Officer)

Date of Assignment: _____

Insert Social Security Number or other Tax Identification Number of Assignee

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, and must be guaranteed by a commercial bank or trust company or a member of a national securities exchange who is a member of a Medallion Signature Guarantee Program.

[END OF BOND FORM]

SECTION 8. In case any Series 2007 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 Series 2007 Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Series 2007 Bond, or in lieu of and in substitution for such Series 2007 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 Series 2007 Bond stolen, destroyed or lost, his filing with the City or Paying Agent evidence satisfactory to them that such Series 2007 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 9. Only such of the Series 2007 Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth in Section 7, duly executed by the Paying Agent, shall be entitled to the rights, benefits and security of this resolution. No such Series 2007 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 resolution. The Paying Agent's certificate of registration and authentication on any such Series 2007 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 Series 2007 Bonds that may be issued hereunder at any one time.

SECTION 10. (a) In the event the Purchaser shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Series 2007 Bonds within thirty (30) days of the date of sale, or at such other earlier date as may be designated by the City, one Series 2007 Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Series 2007 Bonds shall be in the Purchaser until the initial Registered Owner has made timely payment and, upon request of the Purchaser within a reasonable time of the initial delivery of the Series 2007 Bonds, the Paying Agent shall re-register any such Series 2007 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 of the Series 2007 Bonds 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 of the Series 2007 Bonds 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 hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon any of the Series 2007 Bonds to the extent of the sum or sums so paid.

SECTION 11. (a) The Series 2007 Bonds shall be transferable only in the records of the City as maintained by the Paying Agent, 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 or its attorney duly authorized in writing. Upon the transfer of any of the Series 2007 Bonds, the City, acting through the Paying Agent, shall issue in the name of the transferee a new Series 2007 Bond or Series 2007 Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Series 2007 Bond or Series 2007 Bonds.

(b) In all cases in which the privilege of transferring any of the Series 2007 Bonds is exercised, the Paying Agent shall authenticate and deliver said Series 2007 Bonds in accordance with the provisions of this resolution.

SECTION 12. (a) Payment of principal on the Series 2007 Bonds shall be made, upon presentation and surrender thereof 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 Series 2007 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 Series 2007 Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Principal of and interest on the Series 2007 Bonds shall be paid by check or draft mailed on the Interest Payment Date to 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 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 applicable principal or Interest Payment Date to be effective as of such date.

SECTION 13. The Series 2007 Bonds are secured by a lien on Net Revenues of the System and are payable from Net Revenues and any other security pledged for the Series 2007 Bonds. The principal of and interest on the Series 2007 Bonds shall be payable solely from gross Revenues, and shall be subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System. The Series 2007 Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory restriction, limitation or provision, and the taxing power of the City is not pledged to the payment of the Series 2007 Bonds, either as to principal or interest. The Series 2007 Bonds are issued on parity with the Prior Bonds and satisfy the requirements for the issuance of Additional Bonds under the Prior Resolutions.

SECTION 14. From and after the issuance and delivery of the Series 2007 Bonds, the System shall be operated on a Fiscal Year basis, commencing on the first day of October, and ending on the last day of September in the following year; provided, however, that the Fiscal Year may be changed upon written notice to the Registered Owners.

SECTION 15. All Revenues shall be set aside as collected and shall be deposited into the Revenue Fund, which fund was created pursuant to the 1996 Bond Resolution. Moneys in said fund shall not be subject to lien or attachment by any creditor of the City and shall be set aside for, allocated to and deposited by the Clerk to the extent available in the following order of preference in the following separate and special funds, hereby created, without further direction of or action by the Governing Body or other authority of the City:

(a) On the first business day of each month, commencing in the first month after delivery of the Series 2007 Bonds, there shall be deposited into the Operation and Maintenance Fund, which fund was created pursuant to the 1996 Bond Resolution, an amount which will provide for the payment of the Current Expenses to be paid during such calendar month, and, in the event that the aggregate amounts deposited into such fund pursuant to the Resolution during the preceding months shall have been insufficient to pay all such expenses, an amount sufficient to repay such deficiencies.

(b) There is hereby created the 2007 Bond and Interest Fund and two separate subaccounts therein as follows:

(i) On the first business day of each month, commencing in the first month after the delivery of the Series 2007 Bonds, there shall be deposited into a subaccount in the 2007 Bond and Interest Fund designated 2007 Current Debt Service Account which account is hereby created an amount which, together with equal subsequent monthly deposits on the first business day of each successive month, will provide a sum equal to the amount necessary to pay interest and principal due and payable through the date on which the next installment of principal on the Series 2007 Bonds is due. Accrued interest on the Series 2007 Bonds received from the Purchaser shall be deposited into the 2007 Current Debt Service Account of the 2007 Bond and Interest Fund at Closing.

(ii) Provided, that in addition to the moneys hereby required to be paid into the 2007 Current Debt Service Account of the 2007 Bond and Interest Fund, the 2007 Debt Service Reserve Fund which fund is hereby created and shall be maintained as a subaccount in said fund in order to meet any deficiency therein in future years. In order to fully fund the 2007 Debt Service Reserve Fund, the Clerk shall immediately upon delivery of the Series 2007 Bonds deposit an amount which will be equal to the Debt Service Reserve Fund Requirement, at which amount the 2007 Debt Service Reserve Fund shall thereafter be maintained by such future payments as may be necessary for that purpose. Notwithstanding any other provision contained herein, upon the determination of any deficiency in the total amount on deposit in the 2007 Debt Service Reserve Fund, the full amount of such deficiency shall be fully funded within one (1) year of such determination. The 2007 Debt Service Reserve Fund shall be used only to pay maturing principal and accruing interest, or both, on the Series 2007 Bonds and only whenever and to the extent that funds otherwise available in the 2007 Current Debt Service Account are insufficient for that purpose. No funds paid into the 2007 Debt Service Reserve Fund shall be used to prepay the principal unless such prepayment is for the entire balance of the principal amount of the Series 2007 Bonds. If the amount on deposit in the 2007 Debt Service Reserve Fund as valued on the last day of any Bond Year is more than the Debt Service Reserve Fund Requirement, the amount of such excess shall be transferred to the 2007 Current Debt Service Account.

(c) In order to fully fund the 2007 Depreciation Fund which is hereby created, the Clerk shall immediately upon delivery of the Series 2007 Bonds deposit the sum of Five Thousand Dollars (\$5,000) from the proceeds of the Series 2007 Bonds, which sum shall thereafter be maintained in such fund by such future payments as may be necessary for that purpose. Notwithstanding any other provision contained herein, upon the determination of any deficiency in the total amount on deposit in the 2007 Depreciation Fund the full amount of such deficiency shall be fully funded within one (1) year of such determination. The 2007 Depreciation Fund shall be used for the purpose of paying the cost of replacing such parts of the System as may need replacement in order to keep the System operating in an economical and efficient manner upon written certification by the Consulting Engineers to the Governing Body certifying the necessity for such expenditure and concurring in the necessity for such expenditure from the 2007 Depreciation Fund; provided, however, that in the event the funds otherwise established for the payment of the principal of and interest on the Series 2007 Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal as set forth in subparagraph (b) of this section shall be drawn from the 2007 Depreciation Fund and shall be used, together with funds otherwise available, to pay such accruing interest and to provide for the payment of principal as set forth in subparagraph (b) of this section.

(d) In order to fully fund the 2007 Contingent Fund, the Clerk shall immediately upon delivery of the Series 2007 Bonds deposit the sum of Five Thousand Dollars (\$5,000) from the

proceeds of the Series 2007 Bonds, which sum shall thereafter be maintained in such fund by such future payments as may be necessary for that purpose. Notwithstanding any other provision contained herein, upon the determination of any deficiency in the total amount on deposit in the 2007 Contingent Fund the full amount of such deficiency shall be fully funded within one (1) year of such determination. The 2007 Contingent Fund shall be used for the purpose of paying the cost of unforeseen contingencies arising in the operation and maintenance of the System, including the construction of reasonable and proper improvements, betterments, and extensions thereto upon written certification by the Consulting Engineers to the Governing Body certifying the necessity for such expenditure and concurring in the necessity for such expenditure from the 2007 Contingent Fund; provided, however, that in the event the funds otherwise established by the Resolution for the payment of the principal of and interest on the Series 2007 Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal as set forth in subparagraph (b) of this section shall be drawn from the 2007 Contingent Fund and shall be used, together with funds otherwise available, to pay such accruing interest and to provide for the payment of principal as set forth in subparagraph (b) of this section.

The moneys in the foregoing funds shall be held separate and apart from all other funds of the City and shall be applied in the manner provided, and, except for moneys in the Operation and Maintenance Fund, pending such application, shall be subject to a lien and charge in favor and for the security of Registered Owners of the Series 2007 Bonds until paid out or transferred as herein provided. Any surplus Revenues remaining after all deposits and transfers required or allowed by the Resolution shall be used solely for purposes pertaining to the System or as otherwise allowed by the Act.

Any Revenues of the System collected prior to the Closing by the City may be used by the City to fund all or a portion of the foregoing funds and accounts.

SECTION 16. If Revenues shall be insufficient at any time to make the payments or deposits required by Section 15 hereof, the deficiency shall be made good by additional payments to be made out of the first available Revenues received during any succeeding month or months. Whenever and as long as sums actually on deposit in the 2007 Bond and Interest Fund, including the 2007 Debt Service Reserve Fund therein, shall equal the outstanding principal amount of the Series 2007 Bonds, plus the amount of all interest due thereon until the respective maturity dates of the Series 2007 Bonds, no further deposits need be made into said funds.

SECTION 17. All sums in the funds referred to in Section 15 hereof shall be kept on deposit in bank accounts separate from all other bank accounts of the City in a bank or banks having Federal Deposit Insurance Corporation insurance of its accounts and at all times shall be continuously secured as provided by the laws of the State for other funds of the City, or, in the discretion of the Governing Body, may be invested as directed in this resolution in investments authorized under the laws of the State as may now be or hereafter become applicable. Such investments shall mature or be redeemable prior to the time the funds so invested will be needed for expenditure. Any interest or other income received from investments shall accrue to and be deposited in the fund which generated such income or to which such income is attributable. Provided, however, that the Governing Body shall transfer to the 2007 Current Debt Service Account in the 2007 Bond and Interest Fund any such income in excess of the aggregate amount required by this resolution to be maintained in any other fund or account.

SECTION 18. The City covenants and agrees with the Registered Owners that it will perform, or cause to be performed, all duties with respect to the operation and maintenance of the System and with respect to the fixing, maintaining and collecting of the rates, fees and charges for the services thereof, the establishing of the funds herein referred to, and all other matters and things required by law and by this resolution, and that it will do or cause to be done, in apt time and season, each and every official act necessary for the payment of the principal of and the interest on the Series 2007 Bonds as the same shall mature and accrue.

SECTION 19. The City further covenants with the Registered Owners as follows:

(a) As long as any of the Series 2007 Bonds are outstanding and unpaid, it will operate and maintain the System, or cause the System to be operated and maintained.

(b) As long as any of the Series 2007 Bonds are outstanding and unpaid, it will fix and maintain rates and make and collect charges for the use and service of the System which will at all times be sufficient: (i) to pay the Current Expenses of the System, (ii) to provide one hundred ten per centum (110%) of the amount of the maximum Principal and Interest Requirements for the current Bond Year on account of the Bonds then outstanding and (iii) to fund the 2007 Debt Service Reserve Fund, the 2007 Depreciation Fund and the 2007 Contingent Fund as provided in Section 15 hereof.

(c) The rates, fees and charges for the use and service of the System at the Closing will be sufficient to satisfy the requirements of the preceding paragraph.

(d) If the Revenues in any Fiscal Year as shown by the City's audit are less than the total amount set forth in subsection (b) of this Section, then it shall, as promptly as possible, request the Consulting Engineers to make recommendations as to a revision of such rates, fees and charges or methods of operating the System which will result in producing the required amount in the following Fiscal Year. Upon receipt of such recommendations the City shall, subject to applicable requirements imposed by law, immediately revise such rates, fees and charges and take such other actions respecting the methods of operation of the System as shall in its discretion be deemed necessary.

(e) As long as any of the Series 2007 Bonds shall remain outstanding and unpaid, the City shall carry and maintain all risk insurance upon all the properties forming a part of the System which may be of an insurable nature, such insurance to be of the type and kind and for such amount or amounts as carried and maintained by other municipalities rendering services of a similar character in similar communities. The proceeds of all such insurance shall be used only for the maintenance and restoration of the System, or for the payment of the principal of and the interest on the Series 2007 Bonds.

(f) The City shall set up and maintain a proper system of accounts showing the amount of Revenues received from the System and the application thereof. Such accounts shall be separate and distinct from the other accounts of the City, and at least once a year shall be properly audited by independent auditors who shall be certified public accountants. The report of such audit shall be open to the public and to all Registered Owners upon reasonable request.

(g) The Registered Owner of any of the Series 2007 Bonds shall be permitted, at all reasonable times, to inspect the System and all records, accounts and data relating thereto, and shall be furnished all data and information relating to the System which may be reasonably requested.

(h) Except as provided for in Section 22(b) of this resolution, the City will not create or permit to be created any charge or lien on Revenues ranking equal or prior to the charge or lien of the Series 2007 Bonds.

SECTION 20. Prior to the commencement of each Fiscal Year, the Governing Body shall cause to be prepared a budget setting out the estimated receipts and expenditures of the System for the then ensuing Fiscal Year. This budget shall contain:

(a) An estimate of the receipts expected to be derived from the operation of the System;

(b) A statement of the estimated cost of operating the System during the next ensuing Fiscal Year;

(c) A statement of the amount of principal and interest due during the ensuing Bond Year;

(d) A statement of what replacements to the System may be anticipated and the estimated cost thereof;

(e) A statement of the total amount anticipated to be payable from Revenues during the next ensuing Fiscal Year; and

(f) A statement of the amount on deposit in each of the funds referred to in Section 15 of this resolution.

SECTION 21. (a) In order to insure the efficient and economical operation of the System and to insure the proper maintenance thereof in an efficient working order, the City covenants, as a part of the contract to be evidenced by the Series 2007 Bonds, that it will employ, while any of the Series 2007 Bonds are outstanding, independent engineers or engineering firms having a favorable reputation for skill and experience in such work, such engineer or engineering firm to act as Consulting Engineers for the operation and maintenance of the System. The Consulting Engineers employed to supervise the Project shall continue to be employed under this Section 21 until further action by the Governing Body. The compensation of the Consulting Engineers shall be deemed to be an expense of operating the System and shall be payable from Revenues.

(b) It shall be the duty of the City with advice from the Consulting Engineers annually to inspect the System prior to the commencement of each Fiscal Year and to file a report with the Clerk prior to the commencement of each Fiscal Year, setting out the condition of the physical plant of the System and any recommendations which such the Consulting Engineers shall deem to be advisable. Such report shall include the following:

(i) Advice and recommendations concerning the maintenance, repair and operation of the System.

(ii) Advice and recommendations as to renewals or replacements of any part of the System.

(iii) Advice and recommendations as to extensions of the System.

(iv) The estimated cost of any recommended renewals, replacements or extensions to the System.

(v) Advice and recommendations concerning the amount and character of insurance that should be carried on the System.

(vi) Advice and recommendations concerning any revision of the rates to be charged for the services of the System.

(vii) A statement of the judgment of the City with advice from such Consulting Engineers concerning whether the System had been maintained in good repair and operating order, with such suggestions as such Consulting Engineers may deem advisable concerning changes in the methods of operating the System.

(c) The City covenants with the Registered Owners that if the report of the Consulting Engineers shall show that the System has not been maintained in good repair and operating condition, it will, from available Revenues and from the 2007 Depreciation Fund and, to the extent applicable, the 2007 Contingent Fund, promptly restore the System to good repair and operating condition; that all recommendations of said report shall receive impartial consideration by the Governing Body; and that the City and the Governing Body shall endeavor in good faith to carry out the recommendations that may be made by the City with advice from the Consulting Engineers.

SECTION 22. (a) Except as hereafter set forth in subparagraph (b) below, from and after the issuance of the Series 2007 Bonds, no Additional Bonds shall be issued or obligations incurred by the City which are payable in whole or in part from or chargeable to Revenues (except obligations incurred in the operation and maintenance of the System), unless such Additional Bonds or obligations are in all respects junior and subordinate to the Bonds.

(b) The City shall have the right to issue one or more series of Additional Bonds to be secured by a parity lien on and ratably payable from Net Revenues and any other security pledged to the Bonds, provided in each instance that:

(i) the Net Revenues available for payments of principal and interest on the Bonds for a period of 12 consecutive months during the 18 months preceding the month in which such Additional Bonds are issued must be certified by an accountant to have been at least equal to 110% of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds and the Additional Bonds proposed to be issued; or in lieu of the foregoing formula, if a new schedule of rates, fees and charges

for the services, facilities and commodities of the System shall have been adopted, then the Revenues available for debt service payments (taking into account such new rates) must be certified by an accountant to have been at least equal to 125% of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds and the Additional Bonds proposed to be issued during the period set forth above;

(ii) the pledge of and lien on the Net Revenues and amounts on deposit from time to time in the 2007 Construction Fund and the 2007 Bond and Interest Fund shall be extended for the benefit of the registered owners of the Additional Bonds; and

(iii) the resolution under which the proposed bonds are being issued shall provide for the funding of an increase in the 2007 Debt Service Reserve Fund resulting from the issuance of such Additional Bonds from the proceeds of such Additional Bonds or as otherwise allowed by Section 15(b)(ii).

(c) The City hereby covenants and agrees that in the event Additional Bonds in one or more series are issued on parity with the Bonds, it shall:

(i) Adjust the deposits into the 2007 Bond and Interest Fund in the following manner: On the first business day of each month, commencing in the first month after the delivery of the Additional Bonds, there shall be deposited into a subaccount in the 2007 Bond and Interest Fund designated 2007 Current Debt Service Account an amount which, after taking into account any amounts already on deposit and equal subsequent monthly deposits on the first business day of each successive month, will provide a sum equal to the amount necessary to pay interest and principal due and payable through the date on which the next installment of principal on the Bonds and the Additional Bonds is due.

(ii) Adjust the amount on deposit in the 2007 Debt Service Reserve Fund to a sum equal to the Debt Service Reserve Fund Requirement as calculated for the Bonds and such Additional Bonds. The additional funds required in the immediate preceding sentence shall be funded from the proceeds of the Additional Bonds or as otherwise allowed by Section 15(b)(ii).

(iii) Adjust the maximum amounts to be deposited annually into the 2007 Depreciation Fund and the 2007 Contingent Fund, taking into account the future replacement cost of the facilities and equipment to be constructed or acquired with the proceeds of such Additional Bonds, by depositing into said funds on the first business day of each month, commencing in the first month after the delivery of such Additional Bonds, such amount, if any, of the balance remaining after making the deposits under clauses (i) and (ii) above (or the entire balance if less than the required amount) as is required by the resolution under which such Additional Bonds are issued.

(d) The City shall have the right to call, subject to the call provisions of the respective Bond series, any or all outstanding Bonds which may be called at par prior to calling any Bonds that are callable at a premium. If it is provided in any subsequently issued series of Additional Bonds secured by a parity lien on Net Revenues that excess moneys in the 2007 Bond and Interest Fund shall be used to redeem bonds in advance of scheduled maturity or if the City, at its option, undertakes to redeem outstanding Bonds in advance of scheduled maturity, it is agreed and understood that:

(i) calls of or prepayment on Bonds will apply to each series of Bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of Bonds outstanding at the time of such call); and

(ii) calls of Bonds for each Bond series will be in accordance with the call provisions of the respective Bond series.

(e) The City may issue bonds junior and subordinate to the Bonds and any Additional Bonds at any time, provided that the issuance of such bonds does not violate any covenant of the City concerning any of its then outstanding Bonds.

SECTION 23. (a) The provisions of this resolution shall constitute a contract between the City and the Registered Owners from time to time of the Series 2007 Bonds, and after the

issuance of the Series 2007 Bonds no changes, additions or alterations of any kind shall be made hereto in any manner except upon consent of the Registered Owners of at least sixty-five percent (65%) in principal amount of the Series 2007 Bonds then outstanding, such consent to be evidenced by an instrument or instruments signed by such Registered Owners and duly acknowledged in the manner of a deed for the conveyance of real estate in the State. Such instruments shall contain or be accompanied by proofs of ownership of specified numbers and principal amounts of the Series 2007 Bonds, shall be filed in the office of the Clerk and shall be a public record.

(b) Any and all modification or alterations made in the manner hereinabove provided shall not become effective until the required consents shall have been filed with the Clerk.

(c) No modifications or alterations to this resolution shall extend the maturity of or reduce the interest rate on or otherwise alter or impair the obligation to pay the principal of or the interest on any of the Series 2007 Bonds at the time and place and at the rate and in the currency as provided herein, without the express consent of the Registered Owner of any of such Series 2007 Bonds, nor reduce the percentage of the Series 2007 Bonds required for the affirmative vote or written consent to a modification or alteration, nor alter or impair the covenants set forth in Sections 18, 19 and 21 hereof.

SECTION 24. The Series 2007 Bonds shall be payable equally and ratably, without regard to the date when the Series 2007 Bonds actually shall be delivered and shall enjoy parity of lien, one with the other, upon Net Revenues and with the Series 1996 Bonds, the Series 2003 Bonds, the Series 2004 Bonds and the Series 2006 Bonds.

SECTION 25. (a) Principal proceeds in the amount of Two Million Eight Hundred Thousand Dollars (\$2,800,000) derived from the sale of the Series 2007 Bonds, less amounts deposited to the 2007 Contingent Fund, the 2007 Depreciation Fund and the 2007 Debt Service Reserve Fund, shall be deposited in the 2007 Construction Fund hereby created by this resolution and shall be applied solely and only for the purpose for which the Series 2007 Bonds are herein directed to be issued for the Project.

(b) Said proceeds deposited into the 2007 Construction Fund shall be disbursed only upon proper warrant issued pursuant to certification by the Consulting Engineers stating that:

(i) the purpose for which the payment is to be made is a Cost of the Project within the scope of the work contemplated by this resolution;

(ii) the work done is, or the materials furnished are, in accordance with the contract therefor (if such work is done or such materials are furnished under a contract), or such work is or that such materials are suitable for the intended purpose (if such payments are not covered by an express contract); and

(iii) the amount of such payment is in accordance with the contract or is reasonable.

NOTHING HEREIN SHALL BE CONSTRUED TO PROHIBIT THE PAYMENT FROM THE 2007 CONSTRUCTION FUND WITHOUT SUCH A CERTIFICATE OF A PORTION OR ALL OF THE EXPENSES NECESSARILY INCIDENT TO THE COSTS OF ISSUANCE AND SALE OF THE SERIES 2007 BONDS. SAID COSTS OF ISSUANCE EXPENSES APPROVED BY THE CITY ARE HEREBY AUTHORIZED TO BE PAID AT CLOSING WITHOUT FURTHER AUTHORIZATION OR APPROVAL OF THE GOVERNING BODY.

(c) Any balance remaining in the 2007 Construction Fund after the Project has been completed, and all related costs and expenses paid, shall be deposited into the 2007 Bond and Interest Fund and expended in accordance with State and federal law and this resolution.

SECTION 26. (a) The Registered Owner of any of the Series 2007 Bonds may, by suit, action, mandamus or other proceedings at law or in equity, enforce and compel performance by the appropriate official or officials of the City of any or all acts and duties to be performed by the City under the provisions of the Act and of this resolution.

(b) Each of the following constitutes an event of default under this resolution:

(i) failure by the City to pay any installment of principal of any Bond at the time required;

(ii) failure by the City to pay any installment of interest on any Bond at the time required;

(iii) failure by the City to perform or observe any other covenant, agreement or condition on its part contained in this resolution or in the Series 2007 Bonds, and the continuance thereof for a period of sixty (60) days after written notice thereof to the City by the Registered Owners of not less than ten percent (10%) in principal amount of the then outstanding Bonds; or

(iv) filing by the City of a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable federal or state law.

(c) If there be any default in the payment of the principal of and interest on the Series 2007 Bonds, any court having jurisdiction in the proper action may, upon petition of the Registered Owners of a majority in principal amount of the Series 2007 Bonds then outstanding, appoint a receiver to administer and operate the System with power to fix rates and collect charges sufficient to provide for the payment of the Series 2007 Bonds and to pay the expense of operating and maintaining the System in conformity with the provisions of the Act and of this resolution.

SECTION 27. At least five (5) days prior to the due date thereof, the Clerk of the City shall remit to the Paying Agent the sum or sums then becoming due as interest, or principal and interest, on the Series 2007 Bonds, plus the sum then due as the charges of the Paying Agent for its services and responsibilities under the terms of this resolution, which charges shall be expenses of operation and shall be charged to and payable from the Operation and Maintenance Fund referred to in Section 15 of this resolution.

SECTION 28. The Series 2007 Bonds have been submitted to validation before the Chancery Court of Lafayette County, Mississippi as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended, and for that purpose the Clerk is hereby authorized and directed to transmit to the State's Bond Attorney a certified copy of all of the legal papers pertaining to the issuance of the Series 2007 Bonds, including transcripts of records, resolutions, proofs of publication, tabulation or votes, if applicable, and all facts pertaining to the issuance of the Series 2007 Bonds.

SECTION 29. If the City shall pay or cause to be paid to the Registered Owners of the Series 2007 Bonds the principal of, premium, if any, 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 Series 2007 Bonds and in this 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 Resolution shall cease, determine and be void, and thereupon the lien of this resolution on Net Revenues shall be defeased, cancelled and discharged.

SECTION 30. The City hereby covenants that it will not make any use of the proceeds of the Series 2007 Bonds or do or suffer any other action that would cause: (i) the Series 2007 Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code; (ii) the interest on the Series 2007 Bonds to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Series 2007 Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 31. The City represents as follows:

(a) The City shall timely file with the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code;

(b) The City shall take no action that would cause the Series 2007 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(c) The City shall take all necessary action to have the Series 2007 Bonds registered within the meaning of Section 149(a) of the Code; and

(d) The City will not employ any device or abusive transaction with respect to the investment of the proceeds of the Series 2007 Bonds.

SECTION 32. The City hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code by fully complying with the terms and provisions of the Arbitrage Rebate Agreement.

SECTION 33. The City shall not hereafter construct, acquire or operate, or permit, or, to the extent permitted by law, consent to the construction, acquisition or operation of, any plants, structures, facilities or properties which may compete or tend to compete with the System; except that nothing in this resolution contained shall prevent the City from giving its permission or consent to the construction, acquisition or preparation in the area serviced by the System by a Person or facilities for the provision of water and sewer services which the City shall determine are not economically feasible for it to construct or acquire at such time, but which, if constructed or acquired by the City, would carry out the purposes of the City and its System under the Act and such facilities pursuant to the terms of such permission or consent will become a part of the System upon notice to such person by the City, either (a) without any cost to or payment by the City, or (b) upon payment of such amount or cost as the City shall determine to be proper in the circumstances.

SECTION 34. The City covenants that it will (a) diligently enforce and collect all fees, rental or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State, and (b) to the full extent permitted by law, under reasonable rules and regulations, shut off and discontinue the supplying of the services and facilities of the System for the non-payment of fees, rentals or other charges for said water services, and will not restore said water services until all delinquent charges, together with interest and reasonable penalties, have been paid in full.

SECTION 35. Pursuant to SEC Rule 15c2-12(b)(5), the City covenants and agrees to provide to the Purchaser a continuing disclosure agreement, dated the date of issuance and delivery of the Series 2007 Bonds, setting forth the City's agreement with regard to continuing disclosure (the "Continuing Disclosure Agreement"), and to comply with the covenants set forth therein and carry out all of the provisions of the Continuing Disclosure Agreement. In the event the City fails to comply with the provisions of the Continuing Disclosure Agreement, any Registered Owner may take such actions as may be necessary and appropriate, including mandamus or specific performance by court order, to cause the City to comply with its obligations set forth in the Continuing Disclosure Agreement and this Section 35.

SECTION 36. The City covenants that it will not provide free service to any user of the System unless permitted by State statute.

SECTION 37. It is specifically provided, notwithstanding the date set out in this resolution for the date of the Series 2007 Bonds and the payment dates for principal and interest, that in the event the delivery of the Series 2007 Bonds is delayed by a contest of the validation of the Series 2007 Bonds or otherwise and the Purchaser shall decline to take delivery of the Series 2007 Bonds, then the Series 2007 Bonds may be reoffered for sale. 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 actual date of the Series 2007 Bonds as provided by the subsequent resolution directing the offer for sale thereof and continuing through the twentieth (20th) year from such actual date of the Series 2007 Bonds. The interest payments may also be adjusted accordingly, with interest payments due semiannually, commencing twelve (12) months from such actual date of the Series 2007 Bonds. After the validation of the Series 2007 Bonds, no amendment, revision or supplement contemplated by this Section 38 shall be cause for the re-submission of the proceedings for the issuance of the Series 2007 Bonds, as amended, revised or supplemented, to any further validation proceedings, it being the intent of this resolution that any such amendments, revisions or supplements be covered by the initial validation proceeding.

SECTION 38. Hancock Bank, Gulfport, Mississippi is hereby appointed Paying Agent for the Series 2007 Bonds.

SECTION 39. The Mayor, the Clerk and the proper officers and members of the Governing Body are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of this resolution and are further authorized to take any and all further actions and execute and deliver any and all other documents and certificates as may be necessary or desirable in connection with the issuance of the Series 2007 Bonds, the Preliminary Official Statement, a final Official Statement, in substantially the form of the Preliminary Official Statement, or other documents necessary to conclude the sale and issuance of the Series 2007 Bonds, from time to time, and to document the City's compliance with the Act and the Code.

SECTION 40. All acts and doings of the officers and members of the Governing Body which are in conformity with the purposes and intents of this resolution and in furtherance of the sale and issuance of the Series 2007 Bonds, from time to time, and the execution, delivery and performance of the Preliminary Official Statement and the Official Statement, shall be, and the same hereby are, in all respects approved and confirmed.

SECTION 41. If any one or more of the provisions of this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution, but this resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

SECTION 42. All resolutions or parts thereof in conflict with this resolution, to the extent of such conflict only, are hereby repealed.

SECTION 43. The preparation of the Series 2007 Bonds for sale and delivery being now immediately necessary, this resolution shall become effective immediately upon the adoption hereof.

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

Alderman Pat Patterson voted:	Yes
Alderman E.O. Oliver voted:	Yes
Alderwoman Janice Antonow voted:	Yes
Alderman Coach Howell voted:	Absent
Alderman Preston E. Taylor voted:	Yes
Alderman Jon Fisher voted:	Yes
Alderman Bill Baker voted:	Yes

The motion having received the affirmative vote of a majority of the members of the Mayor and Board of Aldermen of the City of Oxford, Mississippi present, being a quorum of said Mayor and Board of Aldermen, the Mayor declared the motion carried and the resolution adopted this 19th day of June, 2007.

EXHIBIT A
NOTICE OF SALE

EXHIBIT B

PRELIMINARY OFFICIAL STATEMENT AND BID FORM

EXHIBIT C

BIDS

4th OF JULY FUNDS:

It was moved by Alderman Patterson, seconded by Alderman Fisher to authorize \$1,500.00 for the 4th of July festivities. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

TOURISM FUNDS:

It was moved by Alderman Baker, seconded by Alderman Antonow to authorize the reimbursement up to \$384.00 to Anne Quinney for the students visiting Oxford's twin city, Aubigny-sur-nere, France. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

RETIREMENT:

It was moved by Alderman Fisher, seconded by Alderman Patterson to adopt the following resolution honoring Police Chief Steve Bramlett for his years of service. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

RETIREMENT:

It was moved by Alderman Fisher, seconded by Alderman Patterson to adopt the following resolution honoring Mickey Nelson for his years of service. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

RETIREMENT:

It was moved by Alderman Fisher, seconded by Alderman Patterson to adopt the following resolution honoring Owen Conner for his years of service. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

RETIREMENT:

It was moved by Alderman Fisher, seconded by Alderman Patterson to adopt the following resolution honoring Frederick Booker for his years of service. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

- ORDINANCE 2007-9:** It was moved by Alderman Antonow, seconded by Alderman Taylor to adopt Ordinance 2007-9, "AN ORDINANCE ESTABLISHING THE PATHWAYS COMMISSION" Said Ordinance is recorded in Ordinance Book No 7 of the City of Oxford Code of Ordinances. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- LOCATIONS OF CREMATORIA:** This was the second reading and public hearing of the proposed ordinance change regarding the location of crematoria. There was no comment from the public.
- KIOSK ON THE SQUARE:** The Leadership Lafayette class came before the Mayor and Board of Aldermen to discuss kiosks on the square.
- It was moved by Alderman Fisher, seconded by Alderman Patterson to accept the two kiosks from the Leadership Lafayette class and the City will find the best location for them. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- PORTABLE TANK WITH TRAILER PURCHASE:** It was moved by Alderman Baker, seconded by Alderman Antonow to authorize Building and Grounds to purchase a 1000 gallon water tank and trailer in the amount of \$4,365.00. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- GRANT AVENUE:** This item was not discussed due to no one being present to discuss the request.
- KENNY COLEMAN:** Mr. Coleman came before the Mayor and Board of Aldermen and stated he had decided since the deadline for the agenda to not comment publically.
- OED BUDGET:** It was moved by Alderman Fisher, seconded by Alderman Patterson to authorize the budget for the Electric Department for fiscal year 2008. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

SURPLUS PROPERTY:

It was moved by Alderman Antonow, seconded by Alderman Patterson to declare approximately four acres as show in the plat as surplus property. The board finds: The property is no longer needed for municipal purposes, the sale of the property is not desirable or necessary, the use to be conveyed will promote the community, and the board is authorized to declare the property surplus. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

**EXCHANGE WITH
UNIVERSITY:**

It was moved by Alderman Patterson, seconded by Alderman Antonow to authorize the Mayor to execute the exchange of McElroy Drive/water plant (Parcel "A") and the airport/soccer fields (Parcel "B") properties with the University, with counsel's approval. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

**PROPOSED ALCOHOL
ORDINANCE:**

This was the second reading and public hearing of the proposed ordinance change regarding the proposed alcohol ordinance.

- EROSION CONTROL PERMIT:** This was the second reading and public hearing of the proposed ordinance change regarding erosion control permit fees. There was no comment from the public.
- BUILDING HEIGHTS:** This was the second reading and public hearing of the proposed ordinance change regarding building heights. The board discussed the sixty-five foot height restriction and the number of stories allowed.
- SIGN AND BANNER ORDINANCE:** This was the second reading and public hearing of the proposed ordinance change regarding signs and banners. There was no comment from the public.
- REZONING AT 1307 NORTH LAMAR:** This was the second reading and public hearing of the proposed ordinance change which would allow for the rezoning of the property at 1307 North Lamar from Residential Estate to Neighborhood Business. There was no comment from the public.
- THOMPSON HOUSE:** It was moved by Alderman Fisher, seconded by Alderman Antonow to approve the closing of North Lamar for the demolition of the Thompson House according to the schedule provided by the architect. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- CHANGE ORDER:** It was moved by Alderman Patterson, seconded by Alderman Baker to approve the change order for a new drain pipe at the Anderson Water Plant in the amount of \$8,673.10. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- WOODLAWN DRIVE:** It was moved by Alderman Patterson, seconded by Alderman Fisher to approve the preliminary plat of a three lot subdivision located on Woodlawn Drive. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- MDEQ TECH CONFERENCE:** It was moved by Alderman Baker, seconded by Alderman Taylor to authorize a Wastewater Operator to attend the MDEQ Tech Conference in Natchez, MS on July 19-20, 2007. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- EAST UNIVERISTY AVENUE WIDENING:** It was moved by Alderman Patterson, seconded by Alderman Baker to award the bid to Bennett Construction for the East University Avenue widening extension in the amount of \$57,630.00. All the aldermen present voting aye, Mayor Howorth declared the motion carried.
- TRUCK FOR RECYCLING:** It was moved by Alderman Fisher, seconded by Alderman Antonow to authorize the purchase of a

truck for the recycling center with a total cost of \$16,533.00, which will be paid with DEQ grant money. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

SURPLUS VEHICLES:

It was moved by Alderman Fisher, seconded by Alderman Taylor to authorize the sell of the following surplus vehicles on govdeals.com. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

CIS SYSTEM:

It was moved by Alderman Baker, seconded by Alderman Oliver to authorize Lynn Robbins to sign agreement with Central Service Association for Customer Information Systems computer and software system pending approval of counsel. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

QUARTERLY REPORT:

Hugh Stump came before the Mayor and Board of Aldermen to present the quarterly report for the Oxford Convention and Visitor's Bureau.

COUNTERDRUG OPERATIONS:

It was moved by Alderman Patterson, seconded by Alderman Fisher to authorize the travel of one officer to attend the Supervising Counter drug Operations training course in Lake Charles, Louisiana from July 17-19, 2007. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

PATROL OFFICER:

It was moved by Alderman Fisher, seconded by Alderman Antonow to authorize the employment of Jeffery Kellum as a patrol officer with a salary of \$28,240.51. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

DISPATCHERS:

It was moved by Alderman Fisher, seconded by Alderman Patterson to authorize the employment of four part-time dispatchers, James Butler, Anthony Hernandez, Jessica Knighton, and Alexis Farmer. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

INTERIM CHIEF OF POLICE:

It was moved by Alderman Patterson, seconded by Alderman Baker to appoint Mike Martin as interim police chief. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

EXECUTIVE SESSION:

It was moved by Alderman Antonow, seconded by Alderman Patterson to consider executive session for a litigation matter and acquisition of property. All the aldermen voting aye, Mayor Howorth declared the motion carried.

It was moved by Alderman Fisher, seconded by Alderman Patterson to go into executive session.

All the aldermen voting aye, Mayor Howorth declared the motion carried.

REGULAR SESSION:

It was moved by Alderman Baker, seconded by Alderman Patterson to go into regular session. All the aldermen voting aye, Mayor Howorth declared the motion carried.

ADJOURN:

It was moved by Alderman Patterson, seconded by Alderman Antonow to adjourn the meeting sine-die. All the aldermen present voting aye, Mayor Howorth declared the motion carried.

Richard Howorth, Mayor

Lisa Carwyle, City Clerk