

There came on for consideration the matter of issuing special obligation, negotiable, interest bearing combined water and sewer system revenue bonds of the Town of Walnut, Mississippi, and after a discussion of the subject matter, Alderman Johnson offered and moved the adoption of the following resolution:

A RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE TOWN OF WALNUT, MISSISSIPPI, TO ISSUE COMBINED WATER AND SEWER SYSTEM REVENUE BONDS OF SAID ONE MUNICIPALITY IN THE MAXIMUM PRINCIPAL AMOUNT OF SAID MUNNICPALITY IN THE MAXIMUM PRINCIPAL AMOUNT OF TWO HUNDRED THIRTY-FIVE THOUSAND DOLLARS (\$235,000.00) TO RAISE MONEY FOR IMPROVEMENTS, REPAIRS AND EXTENSIONS TO THE COMBINED WATER AND SWER SYSTEM OF SAID MUNICIPALITY, CONSISTING PRIMARILY OF IMPROVEMENTS, REPAIRS AND EXTENSIONS TO THE SEWAGE AND SEWAGE DISPOSAL FACILITIES OF SAID SYSTEM.

WHEREAS, the Mayor and Board of Aldermen of the Town of Walnut, Mississippi (the "Governing Body" of the Municipality) acting for and on behalf of the Municipality, hereby finds, determines, adjudicates and declares as follows:

1. The waterworks, water supply, sewage, and sewage disposal facilities of the Municipality have heretofore been combined and are operated as a combined system known as the combined water and sewer system of the municipality (the "System").
2. It is necessary and advisable and in the best interest of the municipality and its inhabitants to issue combined water and sewer system revenue bonds of the Municipality in the maximum principal amount of Two Hundred Thirty-five Thousand Dollars (\$235,000.00) to raise money for improvements, repairs and extension to the System, consisting primarily of improvements, repairs and extensions to the sewage and sewage disposal facilities of the System (the "Authorized Purpose"), for which purpose there are no other available funds on hand.
3. The Governing Body has employed Cook-Coggin Engineers, Inc. Tupelo, Mississippi, a competent engineering firm, to study the System, determine the nature and extent of the improvement, repairs and extensions necessary thereto, and make an estimate of the cost thereof.
4. Said engineers have determined the nature and extent of the necessary improvements, repairs and extensions to the System and have made an estimate of the cost hereof. Based on that information, the estimated cost hereof is the aggregate amount of One Million Three Hundred Thirty-five Thousand Five Hundred Eighty Dollars (\$1,335,580.00)

5. Said improvements, repairs and extensions are necessary, and economically feasible and would be in the public interest and of benefit to the Municipality, and the findings of said engineers are hereby adopted, including the estimate of the costs of said improvements, repairs, and extensions.

6. Under the provisions of Sections 21-27-11 through 21-27-69, Mississippi Code of 1972 (the "Act"), the Municipality is authorized to make such improvements, repairs and extensions and to provide for the payment of the costs thereof, or any portion of such costs, by and through the issuance of bonds, the principal and interest of and on which shall be payable from the revenues of the System.

7. The Municipality reasonably expects that it will incur expenditures for the aforesaid purpose prior to the issuance of said bonds and that it should declare its official intent to reimburse such expenditures made in anticipation of the issuance of said bonds.

8. A sum not exceeding Two Hundred Thirty-five Thousand Dollars (\$235,000.00) must be provided and raised by the issuance of special obligation bonds in said amount, payable both as to principal and interest from the revenues of the System, as authorized by the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY AS FOLLOWS:

SECTION 1. The Governing Body does hereby declare its intention to issue combined water and sewer system revenue bonds of the Municipality in the maximum principal amount of Two Hundred Thirty-five Thousand Dollars (\$235,000.00) (the "Bonds") to raise money for the Authorized Purpose. Pursuant to Section 1 150-2 of the Treasury Regulations (the "Reimbursement Regulations"), the Governing Body hereby declares its official intent to reimburse expenditures made for the Authorized Purpose prior to the issuance of the Bonds with proceeds of the Bonds to the extent permitted by the Reimbursement Regulations.

SECTION 2. Said bonds in the amount, for the purpose and secured as aforesaid will be authorized to be issued at a meeting of the Governing Body to be held at the Town Hall on May 11, 2004, at 6 o'clock P.M., which date so fixed will be more than ten (10) days after the third date of publication of this resolution, as directed by Section 3 hereof. If a petition signed by not less than twenty percent (20%) of the qualified electors of the municipality be filed objecting to and protesting the issuance of such revenue bond issue on or before the aforesaid date and hour, then an election on the question of the issuance of such bonds shall be called and held as provided by law. If no such protest be filed, then such bonds may be issued without an election on the question of the issuance thereof, and may be sold under the regular procedure for selling such bonds.

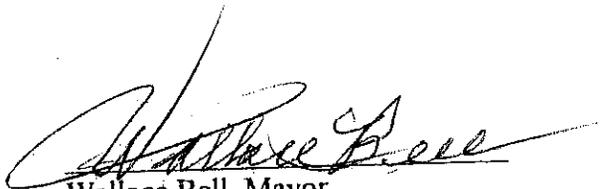
SECTION 3. This resolution shall be published once a week for at least three (3) consecutive weeks in the Southern Sentinel, a newspaper published in the City of Ripley, Mississippi, no newspaper being published in the municipality, and being a qualified newspaper under the provisions of Section 13-3-31, Mississippi Code of 1972. The first publication of this resolution shall be made not less than twenty-five (25) days prior to the date fixed herein for issuance of said bonds, and the third such publication shall be more than ten (10) days prior to the date specified in Section 2 hereof.

SECTION 4. The Clerk of the Municipality shall be and is hereby directed to procure from the publisher of the aforesaid newspaper the customary proof of publication of this resolution and to have the same before the Governing Body on the date and hour specified in Section 2 hereof.

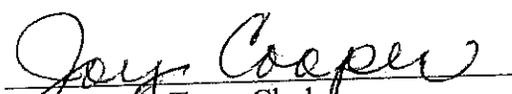
Alderman Pulliam seconded the motion to adopt the foregoing resolution, and the question being put to roll call vote, the result was as follows:

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|------------------------------|-------------------|
| Alderwoman, Edwina Smith | voted: <u>aye</u> |
| Alderman, Scott Pulliam | voted: <u>aye</u> |
| Alderman, Mack Johnson | voted: <u>aye</u> |
| Alderman, Terry Joe Sheppard | voted: <u>aye</u> |
| Alderman, C.D. Flake | voted: <u>aye</u> |

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried, and the resolution adopted on the 6th day of April 2004.


Wallace Bell, Mayor

ATTEST:


Jay Cooper, Town Clerk