

EXhibit "B"
OFFICIAL BALLOT
 SPECIAL BOND ELECTION
 TOWN OF
 WALNUT GROVE, MISSISSIPPI
 Saturday, the 10th day of
 September, 1960
 (Vote separately on each proposition)

PROPOSITION NO. 1

Shall the Town of Walnut Grove, Mississippi, issue its general obligation bonds in the maximum amount of Forty Thousand Dollars (\$40,000.00) for the purpose of paying part of the cost of constructing a waterworks system and appurtenant facilities and a sanitary sewerage system and appurtenant facilities in and for said Town?

FOR THE BOND ISSUE _____ []

AGAINST THE BOND ISSUE _____ []

(Instruction to voter: Place a cross (x) or check (v) opposite your choice.)

PROPOSITION NO. 2

Shall the Town of Walnut Grove, Mississippi, issue its waterworks and sewerage systems revenue bonds in the maximum amount of One Hundred Twenty-four Thousand Dollars (\$124,000.00) for the purpose of paying part of the cost of constructing a waterworks system and appurtenant facilities and a sanitary sewerage system and appurtenant facilities in and for said Town?

FOR THE BOND ISSUE _____ []

AGAINST THE BOND ISSUE _____ []

(Instruction to voter: Place a cross (x) or check (v) opposite your choice.)

EXhibit "B"
OFFICIAL BALLOT
 SPECIAL BOND ELECTION
 TOWN OF
 WALNUT GROVE, MISSISSIPPI
 Saturday, the 10th day of
 September, 1960
 TOWN HALL PRECINCT

**MINUTES OF REGULAR MEETING OF MAYOR AND BOARD OF ALDERMEN
 OF THE TOWN OF WALNUT GROVE, MISSISSIPPI, HELD ON TUESDAY,
 OCTOBER 4, 1960**

BE IT REMEMBERED that the Mayor and Board of Aldermen of the Town of Walnut Grove, Mississippi, met at regular session at 7:00 P. M. in the Town Office at the Town Hall of said Town, this being the regular time, date and place for said meeting.

The meeting was called to order by the Mayor, W. C. Dawson. There were present W. C. Dawson, Mayor, and Aldermen, D. C. Ware, B. M. Stewart, Elvin Hanna, Mac Dawson, and W. O. Harrison, who comprise all of the Aldermen of said Town. There was also present Mrs. Essie Harrelson, Town Clerk, and J. E. Smith, Town Attorney. The following business was transacted, to-wit:

There came on for consideration before the Board of Aldermen, the matter of the offer of the Housing and Home Finance Agency, Community Facilities Administration, Public Facility Loans Program, relative to the matter of obtaining a loan from said agency in the amount not to exceed One Hundred Four Thousand Dollars (\$104,000.00) for the purpose of constructing a new sewer system and a new water system and appurtenant facilities, which offer is in words and figures as follows, to-wit:

"OFFER

"Subject to the Terms and Conditions, Form CFA-720, dated 7-60, attached hereto and made a part hereof, the Housing and Home Finance Agency, hereinafter referred to as the Government, hereby offers to make a loan of not to exceed \$104,000 to the Town of Walnut Grove, Mississippi (herein called the 'Borrower'), in order to aid in financing the construction of essential public works or facilities presently estimated to cost \$182,300, consisting of a new sewer system and a new water system, including supply, storage, distribution, and appurtenant facilities (herein called the 'Project'): Provided, however, that the loan payable hereunder in no event shall exceed, in the aggregate, the actual cost of the Project upon completion as determined by the Government.

"The loan herein provided for shall be made by purchase from the Borrower, at the principal amount thereof plus accrued interest thereon, of Special Obligation, negotiable, serial, coupon bonds of \$500 and \$1,000 denominations, bearing interest at the rate of 4-3/4% per annum, maturing over a period of thirty years from date, in the principal amount of \$104,000, being part of an aggregate issue of \$124,000, and the interest on all bonds being payable semi-annually until paid.

"By acceptance hereof the Borrower agrees to offer its aforesaid obligations for public sale. The Government's liability to purchase the Borrower's obligations under this agreement will expire with respect to any obligations for which the Borrower receives a bid or bids to purchase at terms equal to or more favorable than the Government's bid.

"By acceptance hereof, the Borrower agrees to reimburse the Government in the sum of \$2,203 from the first funds obtained by the Borrower for construction of the Project, for the Government's field expense.

"The aforesaid Offer of a loan shall be subject to the Special Conditions attached hereto and made a part hereof as Exhibit "A", and the Bond Specifications attached hereto and made a part hereof as Exhibit "B".

"Upon acceptance, this Offer, together with the Terms and Conditions, the Special Conditions and the Bond Specifications referred to, shall become the 'Loan Agreement'.

"This Offer must be accepted within 60 days from the above date.

"Housing and Home Finance Agency
Community Facilities Administration

"By/s/ Jerome A. Connors
Acting Regional Director of
Community Facilities Activities"

BDD571

- A. Prior to the disbursement of the proceeds of the Bonds or any portion of the loan proceeds the Borrower shall present evidence to the Government, which shall be satisfactory to the Government, that:
1. The election for the issuance of \$40,000 General Obligation Bonds and \$124,000 Waterworks and Sewer Revenue Bonds was properly held and resulted in favor of the Bond issues.
 2. That the Borrower has sold or has a valid and enforceable contract or contracts for the sale of \$20,000 of the Waterworks and Sewer Revenue Bonds and the \$40,000 General Obligation Bond issue to parties other than the Government.
 3. That it has a valid and current commitment from the United States Public Health Service to participate in the cost of the proposed sewage treatment facility and outfall lines, such participation being presently estimated at \$6,300.
 4. That it has deposited into the construction fund, in addition to the proceeds of the \$40,000 General Obligation Bond issue and the proceeds from the local sale of \$20,000 Revenue Bonds, the sum of \$12,000 as a contingent participation in the cost of the Project.
 5. It has obtained a source of water supply adequate as to quantity (approximately 100 g.p.m.), satisfactory as to quality and approved by the State Board of Health. In the development of a water supply, the Borrower may, after securing the prior approval of the Government, expend funds theretofore deposited into the construction account under the provisions of Special Condition A(4) hereof. Evidence of the meeting of this requirement shall be in the form of a Certificate signed by the Town's Consulting Engineer.
 6. It has obtained signed agreements from not less than 140 prospective users, each accompanied by a cash deposit of \$5.00 to connect to and use the services of the proposed water and sewer system as soon as available.
 7. It has adopted a water and sewer rate ordinance, satisfactory as to form and substance, establishing rules, rates and regulations for service to be provided by the proposed water and sewer system which shall provide, among other things, for a basic minimum charge for water service of \$4.50 per month for 4,000 gallons or less and a basic minimum charge for sewer service of \$4.50 per calendar quarter together with charges for excess usage substantially the same as represented to the Government in the Borrower's application for this loan.
 8. It has, or can obtain, the necessary permits, franchises and rights-of-way for the construction and operation of the Project.
- B. The Borrower covenants and agrees that on or before the inception of initial operation of its Water and Sewer System it will adopt a budget of Current Expenses for the Water and Sewer System for the remainder of the then current fiscal year and thereafter, on or before the first day of each fiscal year, during which any of the obligations are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will file a copy of such budget or amendments thereto, upon request, with any holder of the obligations. Current Expenses shall include all reasonable and necessary costs of operating, repairing, maintaining and insuring the Water and Sewer System, but shall exclude payments into the Bond and Interest Fund, Cushion Fund, Depreciation Fund and Contingent Fund. The Borrower covenants that the current expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repair in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution by the Borrower that such expenses are necessary to operate

B. Continued -

and maintain the Water and Sewer System. At the same time and in like manner the Borrower shall prepare an estimate of gross revenues to be derived from the Water and Sewer System for said fiscal year and to the extent that said gross revenues are insufficient to pay Current Expenses, debt service requirements on all outstanding Bonds during the ensuing year, and build up and maintain required reserves enumerated in Conditions D, E, F, and G, the Borrower shall revise the Water and Sewer rates and charges sufficient to provide the funds required.

- C. The Borrower covenants and agrees as soon as any portion of the Water and Sewer System becomes revenue-producing and so long as any of the Bonds are outstanding to deposit promptly as received, in the Depository to be designated in the Bond Ordinance, all cash income derived from water and sewer service rendered by the Water and Sewer System into a special fund to be known as the Town of Walnut Grove Water and Sewer Revenue Fund and to be held in the custody of the Treasurer of the Town of Walnut Grove, separate and apart from all other funds. The monies in this fund shall be expended and used by the Treasurer only in the manner and order specified in Conditions D, E, F, and G, all as permitted and defined by applicable statutes.

- D. The Borrower covenants and agrees to establish with the Depository, to be designated in the Bond Ordinance, and to maintain so long as any of the Bonds are outstanding, a Bond and Interest Fund and a Cushion Fund (herein collectively called the Sinking Fund) to be used exclusively for the purpose of paying interest as it becomes due on the Bonds from time to time and to pay and to retire Bonds as they mature or as otherwise herein provided. Into the Bond and Interest Fund there shall be deposited all accrued interest received from the sale of the Bonds and, in addition, there shall be paid into the Bond and Interest Fund an additional sum of \$9,068 to be taken from the proceeds of the sale of the Bonds, such latter sum being the amount required for the payment of interest on the Bonds (or on temporary loans made in anticipation of the sale of the Bonds) during the period of construction of the Water and Sewer System and during the subsequent development period. Thereafter, the Borrower shall transfer on or before the 20th day of each month from the Revenue Fund and deposit to the credit of the Bond and Interest Fund the following amounts:

1. Beginning on or before March 20, 1962, a sum equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Bonds then outstanding and
2. Beginning on or before September 20, 1962, a sum equal to one-twelfth (1/12) of the principal of the Bonds maturing on the next succeeding anniversary date.

After providing for the Operation and Maintenance Fund hereinafter set forth in Condition E, a sum of \$75.00 shall be transferred monthly, beginning January 20, 1962, by the Treasurer from the Revenue Fund and deposited into the Cushion Fund until the funds and/or investments of funds shall equal the sum of \$9,000, and thereafter, the Treasurer shall in like manner transfer from the monies in the Revenue Fund and deposit such said amounts into the Cushion Fund as may be necessary to build up and maintain a reserve therefor of \$9,000.

- E. The Borrower covenants and agrees to establish with the Depository, to be designated in the Bond Ordinance, and to maintain so long as any of the Bonds are outstanding, a fund to be known as the Operation and Maintenance Fund, which shall be used exclusively for the purpose of receiving funds to be transferred monthly by the Treasurer from the Revenue Fund, and for paying, as they accrue, the Current Expenses of the Water and Sewer System, pursuant to the Annual Budget. Subject to the provisions in Condition D, Current Expenses of the Water and Sewer

SPECIAL CONDITIONS

EXHIBIT "A"

PFL-Miss-179
Walnut Grove, Mississippi

E. Continued -

System as herein defined shall be payable from month to month from the Revenue Fund and the Treasurer shall make appropriate transfers to the Operation and Maintenance Fund for said purpose.

F. The Borrower covenants and agrees to establish with the Depository, to be designated in the Bond Ordinance, a fund to be known as the Depreciation Fund to provide a reasonable reserve for depreciation of the Water and Sewer System. Monies in this fund shall be used solely for the purpose of restoring depreciated or obsolete items of the Water and Sewer System. Subject to Conditions D and E, the Town officials shall, at their discretion, authorize the Treasurer to transfer from the Revenue Fund such amounts into the Depreciation Fund as they deem sufficient to provide for this purpose.

G. The Borrower covenants and agrees to establish with the Depository, to be designated in the Bond Ordinance, a fund to be known as the Contingent Fund to provide for reasonable improvements, betterments and extensions to the Water and Sewer System. Subject to Conditions D, E, and F, the Town officials shall, at their discretion, authorize the Treasurer to transfer from the Revenue Fund such amounts into the Contingent Fund as they deem sufficient to provide for this purpose.

H. Subject to the provisions for the disposition of revenues described in Conditions D, E, F, and G, which are cumulative, monies remaining in the Revenue Fund shall be transferred to the Cushion Fund until the required maximum is reached, and thereafter may be transferred (1) to the Sinking Fund for prompt use in redeeming or acquiring outstanding Bonds in inverse numerical and maturity order, not to exceed the maximum call price and in amounts of not less than par value at any time, or (2) may be used for any lawful purpose.

I. The Borrower covenants and agrees to establish, to revise from time to time, to maintain always such rates and charges as will produce cash revenues sufficient to pay cost of annual debt service, costs of operation and maintenance and to build up and maintain the required reserves as more fully described in Conditions D, E, F, and G.

J. Section 9 of the Printed Terms and Conditions is hereby amended by deleting the last paragraph thereof and substituting in lieu thereof the following:

"The Borrower shall transfer from the Construction Account to the Bond and Interest Sinking Fund the amount of capitalized interest as specified in the project cost estimate approved by the Government."

"Any monies remaining in the Construction Account after all costs of the Project have been paid, but not more than \$12,000, shall be returned to the Borrower. Any amount then remaining shall be promptly used to the extent possible for the redemption of Bonds and any residue shall be Placed into the Sinking Fund."

BOND SPECIFICATIONS

EXHIBIT "B"

PFL-Miss-179
Walnut Grove, MississippiRevenue Bonds

Aggregate Principal Amount of Revenue Bonds: \$104,000, part of an aggregate issue of \$124,000

Designation: Waterworks and Sewer Revenue Bonds

Type: Negotiable, Serial, Coupon Bonds

Security: Secured by and payable from a pledge of a fixed amount of the gross revenues to be derived from the operation of the Project, all as permitted and defined by applicable law.

Date: September 1, 1960

Interest Rate: 4-3/4%

Denomination: \$500 and \$1,000

Bond Numbers: (1 - 43, 47, 51 and
(55 - \$500
(All Others - \$1,000

Interest Payment Dates: First payment March 1, 1961, and semi-annually thereafter on September 1 and March 1 of each year.

Maturities as of September 1:

\$2,500	1963-1967	\$5,000	1978-1982
3,000	1968-1971	6,000	1983-1986
3,500	1972-1974	7,000	1987-1990
4,000	1975-1977		

Note: Bonds numbered 1 - 40 to be sold locally. Bonds numbered 41 - 147 to be purchased by the Government.

Place of Payment: At the principal office of the Depository to be designated in the Bond Resolution or Ordinance or, at the option of the holder, at the main office of a bank or trust company located in the Borough of Manhattan, City and State of New York.

Redemption Privileges: Obligations maturing on September 1, 1970 and thereafter shall be redeemable at the option of the issuer, in whole or in part, in inverse numerical and maturity order on March 1, 1970 or on any interest payment date thereafter upon not less than 30 days' prior notice at par and accrued interest, plus a premium of $\frac{1}{4}$ of one per cent for each year or fraction thereof from the redemption date to the stated maturity of the Bond to be redeemed, such premium in any event shall not exceed 4% of the principal amount of any obligations to be redeemed.

Registration Privileges: Registrable as to principal only.

BB0571

HOUSING AND HOME FINANCE AGENCY
COMMUNITY FACILITIES ADMINISTRATION

TERMS AND CONDITIONS

Constituting Part of the Loan Agreement Providing for the Financing and Construction of Public Works or Facilities Under Title II of the Housing Amendments of 1955 (Public Law 345, 84th Congress, as Amended)

Section 1. **Definitions.** As used in these Terms and Conditions:

- "Government" means the United States of America or the Housing and Home Finance Agency.
- "Project" means the Public Works or Facilities covered by the Loan Agreement.
- "Loan Agreement" means the contract between the Government and the Borrower covering the Project and includes both these Terms and Conditions and other contract instruments.
- "Borrower" means the public entity designated in the Loan Agreement.
- "Bonds" mean the obligations which the Government has agreed to purchase under the Loan Agreement.
- "Project Costs" means the cost of construction work for the Project, cost of necessary architectural/engineering services, legal, administrative and clerical costs, cost of land acquisition, necessary travel expenses, costs imposed by the Government to reimburse it for its field expenses, interest during construction, and other necessary miscellaneous expenses, all as determined by the Government.
- "Depository Bank" means a bank or trust company which is a member of the Federal Deposit Insurance Corporation.

Section 2. **Prerequisites to Government's Obligations.** The Government shall be under no obligation to advance funds or to purchase any Bonds under the Loan Agreement if:

- (a) **Representations.** Any representation made by the Borrower to the Government in connection with the application or loan, shall be incorrect or incomplete in any material respect, or the Government determines that the Borrower has failed to proceed promptly with Project financing or construction;
- (b) **Financial Condition.** The financial condition of the Borrower shall have changed unfavorably in a material degree from its condition as theretofore represented to the Government;
- (c) **Concurrence by Government.** The Borrower, having submitted to the Government the documents mentioned in Section 13 hereof, shall have proceeded without having been advised by the Government that the same are satisfactory; it being the purpose of this provision to insure that no action will be taken in the development of the Project

which would result in legal or contractual violation rendering it impossible for the Government to make the loan hereunder or for the parties to accomplish the objects of the Loan Agreement;

- (d) Prohibited Interests. If any official of the Borrower who is authorized in such capacity and on behalf of the Borrower to negotiate, make, accept or approve, or to take any part in negotiating, making, accepting, or approving any architectural, engineering, inspection, construction, materials, supply, or equipment contract or any subcontract in connection with the construction of the Project, shall become directly or indirectly interested personally in any such contract or subcontract, or if any official, employee, architect, attorney, engineer or inspector of or for the Borrower who is authorized in such capacity and on behalf of the Borrower to exercise any legislative, executive, supervisory or other functions in connection with the construction of the Project, shall become directly or indirectly interested personally in any construction, materials, supply, equipment or insurance contract, in any subcontract or any other contract pertaining to the Project.

Section 3. Purchase of Bonds. The Borrower shall initiate and prosecute to completion all proceedings necessary to the authorization, issuance, and sale of the Bonds and to the security thereof. When the said proceedings have been completed to the point of but not including the delivery of the Bonds to the Government, the Borrower may file a requisition requesting the Government to purchase the Bonds. The requisition shall be supported by such data as the Government shall require to determine whether the Government is obligated under the provisions of the applicable Loan Agreement to honor such requisition. If the Government is so obligated, it will purchase the Bonds covered by such requisition, within the limitations, however, specified in the Loan Agreement.

Section 4. Legal Matters. The Borrower shall furnish the Government a transcript of proceedings for the authorization, issuance, sale and security of the Bonds evidencing that the Bonds, when delivered and paid for, will constitute binding and legal obligations, payable and secured in accordance with their tenor, and that all proceedings for the financing and the acquisition, construction and development of the Project preliminary to the delivery of the Bonds to the Government have been had and adopted in due time, form, and manner as required by law.

Section 5. Security. The Borrower shall include in the proceedings for the authorization, issuance, sale and security of the Bonds, provisions for the payment of the principal of and interest on the Bonds and for the security thereof of the nature required to assure such payment and to safeguard the loan hereunder, including, in case the Bonds are payable in whole or in part from any special sources of revenues, provisions designed to assure the production of such revenues and the application thereof to the extent required for the payment and security of the Bonds and interest thereon, including the maintenance of reasonable reserves.

Section 6. Opinion of Bond Counsel. Simultaneously with the delivery of any of the Bonds to the Government, the Borrower shall furnish to the Government the approving opinion of bond counsel who shall be satisfactory to the Government, and covering generally all of the Bonds and, specifically and unqualifiedly, the Bonds then being delivered to the Government.

Section 7. Construction Financing. The Borrower shall make every effort to obtain interim financing from private sources. Prior to entering into formal agreements for such financing, the Borrower shall furnish the Government with (1) a satisfactory preliminary opinion of bond counsel; (2) evidence of its ability to finance on reasonable terms the cost of the Project up to the time the Bonds are ready for delivery; and (3) evidence of the receipt of firm bids establishing that the Project can be constructed within the approved estimated cost thereof.

In the event any loan under temporary financing shall become due prior to the time when the Bonds are ready for delivery, the Borrower may apply to and, provided that the Borrower is in compliance with the Terms and Conditions of this Loan Agreement, receive from the Government an advance against the Bonds in an amount sufficient to liquidate such temporary loan.

Should the Borrower be able to demonstrate to the Government's satisfaction that interim financing on reasonable terms is not available, the Government will consider requests for advances in anticipation of the issuance of the Bonds. Requisitions for construction advances shall be accompanied by such supporting data as the Government may require. The Government will honor such requisitions in amounts and at times deemed by it to be proper.

Any funds made available to the Borrower by the Government pursuant to this Section shall be repaid in full from the first proceeds derived from the sale of the Bonds, and shall bear interest at the rate specified for the Bonds in the Loan Agreement from the date made available to the date of repayment.

Section 8. Prerequisites to Loan Disbursements. Prior to the Government disbursing any portion of the loan proceeds, the Borrower shall present satisfactory evidence that:

- (a) It has obtained, or can obtain, all land, rights-of-way, easements, permits, franchises, Federal, State, County, and Municipal approvals required in connection with the construction and operation of the Project, including approval of the final plans and specifications by the appropriate State authorities;
- (b) It has adopted a Bond Ordinance or Resolution, satisfactory in form and substance to the Government, and has obtained a preliminary approving opinion of bond counsel;
- (c) It has adopted an Ordinance or Resolution, satisfactory in form and substance to the Government, levying taxes or assessments, or establishing rates, charges, rules, and regulations relating to the services to be rendered by the Project, including provision for no free service;
- (d) It has deposited in the Construction Account such funds in addition to the loan proceeds as are necessary to construct the Project, and that the Project can be completed at a total cost satisfactory to the Government and within the amount of funds available therefor.

Section 9. Construction Account. The Borrower shall set up in a Depository Bank, or with the fiscal agency of the Borrower fixed by law, a separate account or accounts (herein collectively called the "Construction Account") into which shall be deposited any temporary loans, Government advances, and proceeds from the sale

of the Bonds (except accrued interest payments) and the additional funds, if any, required by the provisions of the Loan Agreement to be furnished by the Borrower in order to assure the payment of all Project Costs. Moneys in the Construction Account shall be expended only for such purposes as shall have been previously specified in the project cost estimates approved by the Government.

Moneys in the Construction Account shall be secured by the Depository Bank in the manner prescribed by statutes relating to the securing of public funds. Where the moneys on deposit in the Construction Account exceed the estimated disbursements on account of the Project for the next 90 days, the Borrower may direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than 18 months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Account by the Borrower.

Any moneys remaining in the Construction Account after all costs of the Project have been paid shall be promptly used to the extent possible for the redemption of Bonds, and any residue shall be deposited in the account established for the payment of the principal and interest of the Bonds.

Section 10. Payment of Costs--Additional Funds. The Borrower shall pay all Project Costs and furnish from sources other than the proceeds of the loan, and from sources and in a manner which will not jeopardize the security of the Bonds, the additional funds, if any, which will be sufficient to finance the total Project Costs.

Section 11. Prompt Procedure--Economic Construction. The Borrower covenants and agrees that it will proceed promptly with all matters necessary to the financing and the development of the Project; and that the Project will be undertaken and developed in such manner that economy will be promoted in such development and in the construction work.

Section 12. Approvals and Permits. The Borrower shall obtain approvals and permits required by law as a condition precedent to the acquisition, construction, development, and operation of the Project.

Section 13. Submission of Proceedings, Contract and Other Documents. The Borrower shall submit to the Government such data, reports, records and documents relating to the financing, construction, and operation of the Project and financial condition of the Borrower as the Government may require. Approval of the Government must be obtained prior to the assignment of any interest in or part of any contract relating to the Project.

Section 14. Construction by Contract. All work on the Project shall be done under contract and every opportunity shall be given for free, open and competitive bidding for each and every construction, material, and equipment contract. The Borrower shall give such publicity by advertisement or calls for bids by it for the furnishing to it of work, labor, materials, and equipment as required by applicable law and as will provide adequate competition; and the award of each contract therefor shall be made, after approval by the Government to the lowest responsible bidder as soon as practicable; *Provided*, that in the selection of equipment or materials the Borrower may, in the interest of standardization or ultimate economy, if the advantage of such standardization or such ultimate economy is clearly evident, award a

contract to a responsible bidder other than the lowest in price. The Borrower shall obtain the concurrence of the Government before approving subcontracts relating to the Project.

Section 15. Changes in Construction Contract. Any change in a construction contract shall be submitted to the Government for approval. Construction contracts shall include a provision specifying that the above requirement will be met.

Section 16. Contract Security. The Borrower shall require that each construction contractor shall furnish a performance bond in an amount at least equal to 100 percent of his contract price as security for the faithful performance of his contract and also a payment bond in an amount not less than 50 percent of his contract price or in a penal sum not less than that prescribed by State, territorial, or local law, as security for the payment of all persons performing labor on the Project under his contract and furnishing materials in connection with his contract. The performance bond and the payment bond may be in one or in separate instruments in accordance with local law.

Section 17. Insurance During Construction. The Borrower shall require that each of its construction contractors and his subcontractors shall maintain during the life of his contract Workmen's Compensation Insurance and Public Liability and Property Damage Insurance in amounts and on terms satisfactory to the Government. The Borrower shall maintain or require that each of its construction contractors shall maintain during the life of his contract Builder's Risk Insurance in amounts and on terms satisfactory to the Government.

Section 18. Wage Rates. The Borrower shall require all of its contractors engaged in work on the Project to comply with any applicable State law governing the payment of minimum rates of pay to workmen, including apprentices, employed on the Project. In the absence of any such State law, the Borrower shall compile, and submit to the Government for its approval, a list of prevailing rates of pay for all laborers and mechanics to be employed on the construction of the Project (which list shall be based upon the wage rates prevailing for the same classes of laborers and mechanics employed in construction activities, similar in character to the Project in the area in which the Project is to be constructed). Upon obtaining the Government's approval of any such proposed minimum wage rates, the Borrower will include such list in all contracts calling for work on the Project and require adherence thereto. The Borrower shall also require of its contractors that all such lists shall be posted at appropriate conspicuous points on the site of the Project. Unless otherwise required by law, wage rates need not be listed for non-manual workers, including executive, supervisory, administrative and clerical employees.

Section 19. Payment of Employees. The Borrower shall require of its contractors that all employees engaged in work on the Project be paid in full (less deductions made mandatory by law) not less often than once each week.

Section 20. Wage Underpayments and Adjustments. The Borrower shall require of each of its contractors that, in cases of underpayment of wages by the contractor, the Borrower may withhold from such contractor out of payments due, an amount sufficient to pay workers employed on the work covered by his contract the difference between the wages required to be paid under the contract and the wages actually paid such workers for the total number of hours worked and may disburse such amounts so withheld by it for and on account of the contractor to the respective employees to whom they are due.

Section 21. Anti-Kickback Statute. The so-called Anti-Kickback Statute, Public Law No. 324, 73rd Congress, approved June 13, 1934 (48 Stat. 1948 as amended), and the regulations issued pursuant thereto, are a part of the Loan Agreement, and the Borrower shall comply, and require each of its contractors employed in the construction, prosecution, or completion of the Project to comply therewith, and to cause his subcontractors to do likewise.

Section 22. Accident Prevention. The Borrower shall require of its contractors that precaution shall be exercised at all times for the protection of persons (including employees) and property, and that hazardous conditions be guarded against or eliminated.

Section 23. Supervision and Inspection. The Borrower shall provide and maintain on its own behalf competent and adequate architectural or engineering services covering the supervision and inspection of the development and construction of the Project.

Section 24. Nondiscrimination. The Borrower shall require that there shall be no discrimination against any employee who is employed in carrying out the Project, or against any applicant for such employment, because of race, religion, color or national origin. This provision shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Borrower shall insert the foregoing provision of this Section in all its contracts for Project work and will require all of its contractors for such work to insert a similar provision in all subcontracts for Project work; *Provided*, that the foregoing provision of this Section shall not apply to contracts or subcontracts for standard commercial supplies or raw materials. The Borrower shall post at the Project, in conspicuous places available for employees and applicants for employment, notices to be provided by the Government setting forth the provisions of this nondiscrimination clause.

Section 25. Payments to Contractors. Not later than the fifteenth day of each calendar month the Borrower shall make a partial payment to each construction contractor on the basis of a duly certified and approved estimate of the work performed during the preceding calendar month by the particular contractor, but shall retain until final completion and acceptance of all work covered by the particular contract a reasonable amount, specified in the contract, sufficient to insure the proper performance of the contract.

Section 26. Audit and Inspection. The Borrower shall require of its contractors that the Government's authorized representatives be permitted, and it will itself permit them to inspect all work, materials, payrolls, records of personnel, invoices of materials and other relevant data and records appertaining to the development of the Project; and shall permit the Government's authorized representatives to audit the books, records, and accounts of the Borrower appertaining to the loan and the development of the Project.

Section 27. Government Field Expense. The Government will bill the Borrower for payment of the fee specified in the Loan Agreement to cover audit and inspection costs and payment will be due from the first funds deposited in the Construction Account. In the event of termination of the Loan Agreement through the sale of all of the Bonds to private purchasers, the Borrower shall be entitled to a refund of all or a proportionate part of the fee. The refund shall be in such an amount as the Government determines to be equitable under the circumstances.

Section 28. Signs. The Borrower shall cause to be erected at the site of the Project, and maintained during construction, signs satisfactory to the Government identifying the Project and indicating the fact that the Government is participating in the development of the Project.

Section 29. Retention of Title. So long as the Government holds any of the Bonds, the Borrower shall not dispose of its title to the Project or to any useful part thereof, including any facility necessary to the operation and use of the Project and the lands and interests in lands comprising the site of the Project.

Section 30. Insurance on Completed Project. So long as the Government holds any of the Bonds, the Borrower shall insure the Project against such risks and in such amounts as may be required by the Government.

Section 31. Operation of Project. The Borrower covenants that it will operate and maintain the Project or provide for the operation and maintenance thereof, to serve the objects and purposes for which the loan has been made available under the Federal law and the terms of the Loan Agreement.

Section 32. Surety. The Borrower covenants that each of its officials or employees having custody of Project funds during acquisition, construction, development, and operation of the Project, shall be bonded at all times in an amount at least equal to the total funds in his custody at any one time.

Section 33. Proper Records and Books. The Borrower covenants that it will keep accurate financial records and proper books relating to the operation of the Project and other facilities the revenues of which are pledged to secure the Bonds, and such records and books shall be open to inspection by the Bondholders and their agents and representatives. The Borrower further covenants that not later than 90 days after the end of each fiscal year, it will furnish to any Bondholder who shall request same in writing, copies of audit reports prepared by an independent public accountant, reflecting in reasonable detail the financial condition and record of operation of the Borrower, the Project, and other pledged facilities.

Section 34. Periodic Operating Statements. So long as the Government holds any of the Bonds, the Borrower shall furnish operating statements for the Project, and any facilities the revenues of which are pledged to payment of the Bonds, in such form and substance for such periods as may be requested by the Government.

Section 35. Designation of Depository and Paying Agent. The Borrower agrees to obtain the Government's concurrence in the selection of the Paying Agent and Depository Bank, in which funds and accounts are to be established and maintained pursuant to the Loan Agreement, prior to the designation by the Borrower of such Paying Agent and Depository Bank.

Section 36. Investment of Funds. Moneys on deposit to the credit of accounts and funds established and maintained in conformity with the provisions of the Loan Agreement shall be invested by the Depository Bank, upon request by the Borrower, in direct obligations of, or obligations the principal of and the interest on which are guaranteed by, the United States Government. Where the Borrower is required to maintain fixed amounts in such accounts and funds, the investments shall be valued in terms of current market value as of June 30 and December 31 of each year.

Section 37. Bond Redemption. So long as the Government holds any of the Bonds, it will waive the non-callable provisions, redemption premiums, and publication of notice of call applicable thereto.

Section 38. Interest of Third Parties. The Loan Agreement is not for the benefit of third parties, including the holders from time to time of any of the Bonds, and the Government shall be under no obligation to any such parties, whether or not indirectly interested in said Agreement, to pay any charges or expenses incident to compliance by the Borrower with any of its duties or obligations thereunder.

Section 39. Interest of Members of or Delegates to Congress. No member of or delegate to the Congress of the United States shall be admitted to any share or part of this Loan Agreement or to any benefit arising therefrom.

Section 40. Bonus or Commission. By execution of the Loan Agreement the Borrower represents that it has not paid and, also, agrees not to pay, any bonus or commission for the purpose of obtaining an approval of its application for the loan hereunder.

Section 41. State or Territorial Law. Anything in the Loan Agreement to the contrary notwithstanding, nothing in the Loan Agreement shall require the Borrower to observe or enforce compliance with any provision thereof, perform any other act or do any other thing in contravention of any applicable State or territorial law: *Provided*, That if any of the provisions of the Loan Agreement violate any applicable State or territorial law, or if compliance with the provisions of the Loan Agreement would require the Borrower to violate any applicable State or territorial law, the Borrower will at once notify the Government in writing in order that appropriate changes and modifications may be made by the Government and the Borrower to the end that the Borrower may proceed as soon as possible with the construction of the Project.

The matter having received the discussion of the Mayor and Board of Aldermen, Alderman, D. C. Ware, offered the following resolution of acceptance of the offer:

"WHEREAS, there has been filed with the Government in behalf of the Town of Walnut Grove, Mississippi (herein called the Applicant) an application, Project Number PFL-III-Miss-179, dated December 16, 1959, for Federal assistance under the Public Facility Loans Program, Public Law 345, 84th Congress, as amended, and the UNITED STATES OF AMERICA, acting by and through the Community Facilities Commissioner, has transmitted to the Applicant for acceptance an Offer dated August 12, 1960, of Federal assistance in connection with the Project referred to in said application and described in said Offer; and

"WHEREAS, said Offer has been fully considered in accordance with all pertinent rules of procedure and legal requirements, and made a part of the Applicant's public records; and

"WHEREAS, it is deemed advisable and in the public interest that said Offer be accepted;

'NOW, THEREFORE, be it Resolved by the Mayor and Board of Aldermen of the Town of Walnut Grove, Mississippi, that the said Offer, a true and correct copy of which, including the Special Conditions, Bond Specifications and the Terms and Conditions, is hereto attached, be and the same hereby is accepted without reservation or qualification."

Alderman, B. M. Stewart, having seconded said resolution and the matter having been put to a vote, it was unanimously adopted by the Board, and it is, therefore, so ordered that said offer of the Housing and Home Finance Agency, Community Facilities Administration, Public Facility Loans Program, be accepted, and that the Town Clerk be, and she is hereby authorized to furnish the Housing and Home Finance Agency, Community Facilities Administration, Public Facility Loans Program, such necessary copies as may be required by it.

There also came on for consideration by the Mayor and Board of Aldermen the matter of naming and appointing a Bond Counsel, and it appearing unto the Mayor and Board of Aldermen that the law firm of Charles and Trauernicht of St. Louis, Missouri, is a recognized firm for passing on the validity of bond issues in this area, and that the best interest of this Town would be promoted by naming the firm of Charles and Trauernicht as the Bond Counsel of this Town, on motion duly made and seconded, it was ordered that this Town name and appoint the law firm of Charles and Trauernicht of St. Louis, Missouri, as its Bond Counsel, subject to approval of the Housing and Home Finance Agency.

October 4, 1960 (Continued)

The following bills were presented and ordered paid out of Street Tax Fund:

C. D. Sones, Oil for Tractor	.45
Walter Bufkin, Street Work	6.00
Fate Brookshire, Street Work	9.00
C. D. Lewis, Rent on Tractor	75.00

The following bills were presented and ordered paid out of General Town Fund:

Mississippi Power Company, Light Bill	3.00
Mississippi Power Company, Street Lights	25.67
Public Employees' Retirement System, Social Security	42.30
Public Employees' Retirement System, Adm. Exp. Cost	1.27
Harold Hanna, Mowing Town Square, 2 Cuttings @ 3.00	6.00
C. D. Sones, Hauling Garbage, 9 Loads @ 4.00	36.00
Dot Bufkin, Work at Community House	3.50
Walter Bufkin, Cleaning Community House	6.32
Walnut Grove Butane Co., Regulator for Gas Tank	12.25
The Carthaginian, Ads. Publication Notices of Bond Election & Supplies	76.60
W. L. Mayo, Election Manager	6.00
J. W. Madden, Election Manager	6.00
Zelma Summers, Election Clerk	6.00
Earlean Lewis, Election Clerk	6.00
R. K. Johnson, Election Bailiff	6.00

Officers' Salaries:

W. G. Phillips, Marshal	150.00
W. G. Phillips, 5% Com. on Priv. License Cols.	23.47
W. C. Dawson, Mayor	30.00
Essie F. Harrelson, Clerk	30.00
D. C. Ware, Alderman	5.00
Mac Dawson, "	5.00
B. M. Stewart, "	5.00
Elvin Hanna, "	5.00
W. O. Harrison, "	5.00

The annual report for the year beginning October 1, 1959 and ending September 30, 1960 was presented by the Clerk and adopted by the Mayor and Board of Aldermen of the Town of Walnut Grove, Mississippi.

General Town Disbursements:

October	1959	525.03
November	1959	290.44
December	1959	276.09
January	1960	373.79
February	1960	726.68
March	1960	489.91
April	1960	318.10
May	1960	557.58
June	1960	520.65
July	1960	409.70
August	1960	562.28
September	1960	382.62
Less Social Security Deductions for 1959-60		(87.86)

Continued on Page 74

BB0571

October 4, 1960 (Continued)

Street Tax Disbursements:

October	1959	7.00
November	1959	None
December	1959	None
January	1960	178.24
February	1960	None
March	1960	5.25
April	1960	None
May	1960	119.55
June	1960	164.30
July	1960	125.78
August	1960	84.00
September	1960	117.50

General Town Receipts:

1959	Oct.	7, B oyd Golding	332.21
	"	10, T. C. Reeves	3.29
	"	10, T. C. Reeves	.25
	"	20, Mississippi Power Company	90.34
	Nov.	6, W. C. Dawson	10.00
	"	10, W. C. Dawson	10.00
	"	10, W. C. Dawson	25.00
	"	17, W. C. Dawson	10.00
	"	17, T. C. Reeves	771.65
	"	17, T. C. Reeves	57.88
	"	21, T. C. Reeves	.59
	"	21, T. C. Reeves	.04
	Dec.		None
1960	Jan.	28, T. C. Reeves	11.60
	"	28, T. C. Reeves	.79
	"	28, T. C. Reeves	.60
	"	28, T. C. Reeves	73.38
	"	28, Mississippi Power Company	88.61
	Feb.	1, T. C. Reeves	.90
	"	1, T. C. Reeves	12.68
	"	18, W. G. Phillips	2,541.90
	"	18, W. G. Phillips	37.76
	"	23, D. M. Boyd	91.06
	"	23, D. M. Boyd	1.80
	Mar.		None
	Apr.	1, W. G. Phillips	9.82
	"	1, W. G. Phillips	18.00
	"	28, D. M. Boyd	7.70
	"	28, D. M. Boyd	11.17
	"	28, D. M. Boyd	.43
	"	28, D. M. Boyd	23.58
	"	28, Mississippi Power Company	83.73
	May	11, D. M. Boyd	11.34
	"	11, D. M. Boyd	.34
	"	11, W. C. Dawson	100.00
	June	28, W. C. Dawson	10.00
	"	30, D. C. Ware	20.00
	July	5, D. C. Ware	10.00
	"	15, Mississippi Power Company	77.85
	"	20, D. M. Boyd	6.38
	"	28, D. C. Ware	20.00
	Aug.	16, D. M. Boyd	1.21
	"	16, D. M. Boyd	.11
	Sept.	21, D. M. Boyd	3.99
	"	29, D. C. Ware	22.00
	"	29, W. G. Phillips	469.34

October 4, 1960 (Continued)

Street Tax Receipts:

1959	Oct.	10, T. C. Reeves	.34
	Nov.	17, T. C. Reeves	77.17
	"	21, T. C. Reeves	.06
	Dec.		None
1960	Jan.	28, T. C. Reeves	1.06
	"	28, T. C. Reeves	.80
	"	28, T. C. Reeves	97.84
	"	28, Boyd Golding	840.12
	Feb.	1, T. C. Reeves	1.21
	"	18, W. G. Phillips	847.30
	"	23, D. M. Boyd	121.43
	"	23, D. M. Boyd	.32
	Apr.	1, W. G. Phillips	3.28
	"	28, D. M. Boyd	3.72
	"	28, D. M. Boyd	10.27
	"	28, D. M. Boyd	1.02
	"	28, D. M. Boyd	.58
	"	28, D. M. Boyd	2.15
	"	28, D. M. Boyd	7.86
	May	7, Transfer from General Town Fund	200.45
	"	11, D. M. Boyd	3.78
	"	11, D. M. Boyd	1.03
	"	11, D. M. Boyd	.47
	June		None
	July	13, W. D. Neal	807.81
	"	20, D. M. Boyd	2.13
	"	20, D. M. Boyd	1.49
	Aug.	16, D. M. Boyd	.40
	"	16, D. M. Boyd	.17
	Sept.	21, D. M. Boyd	1.33
	"	21, D. M. Boyd	.36

Total Cash Receipts for Fiscal Year	\$8,115.27
Total Cash on Deposit in All Funds at the Beginning of The Year	<u>9,951.57</u>
Total Cash to Account For	18,066.84

Total Disbursements for Fiscal Year	\$6,234.49	
Less Social Security Deductions	<u>87.86</u>	\$6,146.63
Total Cash on Deposit in All Funds At End of Year		<u>11,920.21</u>
Total Cash Accounted For		18,066.84

General Town Fund:

October 1, 1959 Balance on hand		6,770.67
Total Receipts		<u>5,079.32</u>
		11,849.99
Total Disbursements	5,432.87	
Less Soc. Sec. Ded.	<u>87.86</u>	<u>5,345.01</u>
Balance on hand Sept. 30, 1960		\$6,504.98

Street Tax Fund:

October 1, 1959 Balance on hand		3,180.90
Total Receipts		<u>3,035.95</u>
		6,216.85
Total Disbursements		<u>801.62</u>
Balance on hand Sept. 30, 1960		\$5,415.23

There being no further business motion was made to adjourn until next regular meeting.

Essie J. Daniels
Clerk

W. C. Danner
Mayor

Minutes read and approved

BBDS71