

Minutes, City of Southaven, Southaven, Mississippi



MEETING OF THE MAYOR AND BOARD OF ALDERMEN SOUTHAVEN, MISSISSIPPI

CITY HALL
March 1, 2016
6:00 p.m.
AGENDA

1. Call To Order
2. Invocation
3. Pledge Of Allegiance
4. Approval Of Minutes: February 16, 2016
5. Financial Update
6. Authorization for Rasco Rd. Extension Design
7. MDOT Contract for High Mast Lighting at I-55 and Church Road
8. Resolution Authorizing Refunding of Combined Water and Sewer Revenue Bonds - Series 2016
9. Stormwater Phase II Program Renewal
10. Resolution for Surplus Property for SPD
11. Sole Source – ITEC Dept.
12. Resolution for Lease Donation of the Southaven Arena for American Cancer Society Relay for Life
13. Resolution for Southaven Rotary Donation
14. Planning Agenda: Item #1 Application by Johnny Coleman for subdivision approval to revise lot 395 in Snowden Grove Subdivision, Area 14 Section "B"
15. Bid Acceptance for Intersection Modernization at Airways and Stateline Road
16. Mayor's Report
17. Citizen's Agenda
18. Personnel Docket
19. City Attorney's Legal Update
20. Claims Docket
21. Executive Session: Litigation - SPD

Any citizen wishing to comment on the above items may do so. Items may be added to or omitted from this agenda as needed.

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MINUTES OF THE REGULAR MEETING OF March 1, 2016 OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF SOUTHAVEN, MISSISSIPPI

BE IT REMEMBERED that the Mayor and Board of Aldermen of the City of Southaven, Mississippi met in Regular Session on the 1st day of March, 2016 at six o'clock (6:00) p.m. at City Hall.

Present were:

William Brooks	Alderman At Large
Kristian Kelly	Alderman, Ward 1
Shirley Kite	Alderman, Ward 2
George Payne	Alderman, Ward 3
Joel Gallagher	Alderman, Ward 4
Scott Ferguson	Alderman, Ward 5
Raymond Flores	Alderman, Ward 6

Also present were Mayor Musselwhite, Andrea Mullen, City Clerk and Nick Manley, City Attorney. Approximately thirty (30) other people were present.

Mayor Musselwhite called the meeting to order. Alderman Gallagher led in prayer, followed by the Pledge of Allegiance led by Alderman Ferguson. Next, a motion was made by Alderman Payne to approve the minutes of the regular meeting of February 16, 2016 with any corrections, deletions, or additions necessary. There being none the motion was seconded by Alderman Brooks. Motion was put to a vote and passed unanimously.

FINANCIAL UPDATE

Chris Wilson, City Administrator, presented this item to the Board.

Mr. Wilson gave a brief synopsis of the FY 2016 Revenues (October –February) un-audited as compared to FY 2016 Budget / Plan.

	<u>Budgeted Plan</u>	<u>Actual Received (thru February)</u>
Property Tax-	14.975 million	15.049 million
Sales Tax -	5.6 million	6.27 million
Tourism Sales Tax -	494,000.00	728,000.00

Mr. Wilson stated that water sales are also exceeding projections and sanitation is equalized per month due to the flat rate charged to customers throughout the year. Mr. Wilson explained that all revenue streams have continued to exceed revenue projections.

A breakdown of the revenue funds by month is attached to these minutes.

AUTHORIZATION FOR RASCO ROAD EXTENSION DESIGN

Mayor Musselwhite presented this item to the Board.

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Mayor Musselwhite stated that this professional services agreement will allow Civil Link to begin the design process of the Rasco Road Extension Project. This project will connect Rasco Road between Swinnea and Tchluahoma creating an east and west corridor from Highway 51 to Getwell Road and will assist in transportation and public safety issues. Mayor Musselwhite explained that once the design process is complete, they will be able to determine costs to complete the project. Alderman Ferguson made the motion to authorize Civil Link to begin the design process of the Rasco Road Extension Project. Motion was seconded by Alderman Kelly.

Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried on the 1st day of March, 2016.

A copy of the agreement is attached to these minutes.

MDOT CONTRACT FOR HIGH MAST LIGHTING AT I-55 AND CHURCH ROAD

Mayor Musselwhite presented this item to the Board.

Mayor Musselwhite stated that this contract from MDOT is requiring the City to take responsibility of the mast arm LED lighting system at the interchange at I55 and Church Road. Mayor Musselwhite stated that the City will have the opportunity to choose the type of lighting installed at the interchange. Alderman Gallagher made the motion to approve the contract and authorize Mayor Musselwhite to sign.

Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried on the 1st day of March, 2016.

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A copy of the agreement is attached to these minutes.

RESOLUTION AUTHORIZING REFUNDING OF COMBINED WATER AND SEWER REVENUE BONDS – SERIES 2016

The Mayor and Board of Aldermen of the City of Southaven, Mississippi (the "City"), took up for consideration the matter of adopting this sales parameter resolution and bond resolution in connection with the issuance of Combined Water and Sewer System Revenue Refunding Bonds, Series 2016, of the City. After a discussion of the subject, Alderman Flores offered and moved the adoption of the following resolution:

RESOLUTION (I) AUTHORIZING AND DIRECTING THE ISSUANCE OF COMBINED WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2016 OF THE CITY OF SOUTHAVEN, MISSISSIPPI (THE "CITY"), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FOURTEEN MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$14,750,000) (THE "BONDS") TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR (A)(1) THE REFINANCE, PREPAYMENT AND ADVANCE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING \$9,000,000 PROMISSORY NOTE (SOUTHAVEN, MISSISSIPPI WATER & SEWER SYSTEM PROJECT), DATED MARCH 1, 2006; AND THE SUBSEQUENT ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING \$9,000,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2006 (SOUTHAVEN, MISSISSIPPI WATER AND SEWER SYSTEM PROJECT), DATED MARCH 1, 2006; (2) THE CURRENT OR ADVANCE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING \$5,400,000 COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2007, DATED AUGUST 1, 2007; AND (3) THE REFINANCE, PREPAYMENT AND ADVANCE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING \$6,500,000 PROMISSORY NOTE (SOUTHAVEN, MISSISSIPPI WATER & SEWER SYSTEM PROJECT), DATED FEBRUARY 1, 2009; AND THE SUBSEQUENT ADVANCE REFUNDING OF A PORTION OF THE OUTSTANDING \$6,500,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2009 (SOUTHAVEN, MISSISSIPPI WATER AND SEWER SYSTEM PROJECT), DATED FEBRUARY 1, 2009; (B) FUNDING A DEBT SERVICE RESERVE FUND, INCLUDING THE PREMIUM FOR THE SURETY BOND, IF APPLICABLE, AND (C) PAYMENT OF COSTS OF ISSUANCE FOR THE BONDS, INCLUDING THE PREMIUM FOR THE BOND INSURANCE POLICY, IF APPLICABLE; (II) PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; (III) PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF THE COMBINED WATER AND SEWER SYSTEM OF THE CITY IN AN AMOUNT

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SUFFICIENT TO PAY THE COST OF THE OPERATION AND MAINTENANCE THEREOF AND TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS AND ANY PARITY INDEBTEDNESS; (IV) MAKING PROVISION FOR A DEBT SERVICE RESERVE FUND; (V) MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF SAID BONDS; AND (VI) FOR RELATED PURPOSES.

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

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

"Act" shall mean Sections 31-27-1 et seq., of the Mississippi Code of 1972, as amended and/or supplemented from time to time.

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy or insolvency by or against the City under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, and herein designated by the Governing Body.

"Authorized Officer" means the Mayor of the City, the Clerk of the City and any other officer designated from time to time as an Authorized Officer by resolution of the City, and when used with reference to any act or document also means any other Person authorized by resolution of the City to perform such act or sign such document.

"Bank" shall mean the Mississippi Development Bank, a public body corporate and politic of the State of Mississippi, exercising essential public functions and organized under the provisions of the Sections 31-25-1 et seq., Mississippi Code of 1972, as amended and/or supplemented from time to time.

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the Beneficial Owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subrogee.

"Bond" or "Bonds" shall mean the not to exceed \$14,750,000 Combined Water and Sewer System Revenue Refunding Bonds, Series 2016 of the City authorized and directed to be issued in this Bond Resolution.

"Bond Counsel" shall mean Butler Snow LLP, Ridgeland, Mississippi.

"Bond Insurance Policy," if applicable, means the financial guaranty insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of the principal of and interest on the Bonds when due.

"Bond Insurer" or "Insurer," if applicable, means the provider of the Bond Insurance Policy, or any successor thereto or assignee thereof.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement, by and between the City and the Underwriter, dated the date of sale of the Bonds, the form of which is attached hereto as **EXHIBIT C**, with such completions, changes, insertions and modifications to the Bond Purchase Agreement as shall be

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approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

"Bond Resolution" shall mean this resolution, as may be amended from time to time.

"Bond Year" shall mean the period commencing on the date of the delivery of the Bonds through February 1, 2017 and each twelve (12) month period thereafter, commencing with the period ending February 1, 2018, until final maturity of the Bonds.

"Bondholder" or "Bondholders" or "Holder" or "Holders" or any similar term shall mean the registered owner of any Bond.

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds as described in Section 3 herein.

"Callable Bonds" shall mean together, the Callable 2006 Bank Bonds, the Callable 2007 Bonds and the Callable 2009 Bank Bonds.

"Callable 2006 Bank Bonds" shall mean the 2006 Bank Bonds which mature on March 1 in the years 2018 through 2031, both inclusive; or shall include such outstanding 2006 Bank Bonds maturing on March 1 in the years as determined in the Bond Purchase Agreement.

"Callable 2007 Bonds" shall mean the 2007 Bonds which mature on August 1 in the years 2017 through 2027, both inclusive; or shall include such outstanding 2007 Bonds maturing on August 1 in the years as determined in the Bond Purchase Agreement.

"Callable 2009 Bank Bonds" shall mean the 2009 Bank Bonds which mature on February 1 in the years 2019 through 2029, both inclusive; or shall include such outstanding 2009 Bank Bonds maturing on February 1 in the years as determined in the Bond Purchase Agreement.

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

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

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

"County" shall mean DeSoto County, Mississippi.

"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, 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 2007 Debt Service Fund, the 2016 Debt Service Fund, 2007 Debt Service Reserve Account or the Debt Service Reserve Fund.

"Debt Service Reserve Fund" shall mean the debt service reserve fund provided for in the Bond Resolution securing the Bonds.

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"Debt Service Reserve Requirement" means the lesser of the following: (i) the maximum amount of principal and interest becoming due in the current or any future bond year (meaning each one year period beginning on February 2 of one year and ending on February 1 of the following year, or such shorter period from the date of issuance of the Bonds to February 1 2017), on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; or (iii) ten percent (10%) of the stated principal amount of such issue of Bonds, or if such issue of Bonds has more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, ten percent (10%) of the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations) of such issue of Bonds), which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility; provided, however, that upon initial issuance of the Bonds, the Debt Service Reserve Requirement will mean the amount set forth in (i) hereinabove and in future years if the amount of the Debt Service Reserve Requirement should equal an amount in excess of the lesser of (i), (ii) and (iii) above, the funds held in the Debt Service Reserve Fund will not be invested at a yield in excess of the yield on the Bonds. The initial deposit into the Debt Service Reserve Fund may be funded with a Surety Bond.

"Direct Participant" means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

"DTC" means The Depository Trust Company.

"DTC participants" shall mean any participant for whom DTC is a Security Depository Nominee.

"Escrow Fund" shall mean together, the Escrow 2006 Fund, the Escrow 2007 Fund and the Escrow 2009 Fund.

"Escrow 2006 Fund" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2006 (Southaven, Mississippi Water and Sewer System Project) Escrow Fund established pursuant to the 2006 Escrow Agreement to pay the principal of and interest on the Refunded 2006 Bank Bonds and the redemption price of the Callable 2006 Bank Bonds.

"Escrow 2006 Requirement" shall mean the sale proceeds of the Bonds deposited in the Escrow 2006 Fund and used to refund the Refunded 2006 Bank Bonds as provided in the 2006 Escrow Agreement.

"Escrow 2007 Fund" shall mean the City of Southaven, Mississippi Combined Water and Sewer System Revenue Bonds, Series 2007 Escrow Fund established pursuant to the 2007 Escrow Agreement to pay the principal of and interest on the Refunded 2007 Bonds and the redemption price of the Callable 2007 Bonds.

"Escrow 2007 Requirement" shall mean the sale proceeds of the Bonds deposited in the Escrow 2007 Fund and used to refund the Refunded 2007 Bonds as provided in the 2007 Escrow Agreement.

"Escrow 2009 Fund" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2009 (Southaven, Mississippi Water and Sewer System Project) Escrow Fund established pursuant to the 2009 Escrow Agreement to pay the principal of and interest on the Refunded 2009 Bank Bonds and the redemption price of the Callable 2009 Bank Bonds.

"Escrow 2009 Requirement" shall mean the sale proceeds of the Bonds deposited in the Escrow 2009 Fund and used to refund the Refunded 2009 Bank Bonds as provided in the 2009 Escrow Agreement.

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

"Indirect Participant" shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Direct Participant.

"Letter of Representations" shall mean the DTC Blanket Issuer Letter of Representations of the City.

"Mayor" shall mean the Mayor of the City.

"Municipal Advisor" shall mean Government Consultants, Inc., Jackson, Mississippi.

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

"Non-Refunded 2007 Bonds" shall mean the outstanding 2007 Bonds not refunded with a portion of the proceeds of the Bonds.

"Paying Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body to make payments of the principal of and interest on the Bonds, and to serve as registrar and transfer agent for the registration of owners of the Bonds, and for the performance of other duties, and shall initially be Trustmark National Bank, Jackson, Mississippi.

"Person" shall mean an individual, partnership, corporation, limited liability company, 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 Bonds, any parity bonds, including the Non-Refunded 2007 Bonds and subordinated indebtedness which will mature and accrue during such period.

"Project" shall mean providing funds for the (i) Refunding Project, (ii) funding the Debt Service Reserve Fund including the premium for the Surety Bond, if applicable, and (iii) paying the costs of issuance of the Bonds, including the premium for the Bond Insurance Policy, if applicable.

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

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

"Redemption Price" shall mean, with respect to a Bond, the principal amount of such Bond plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms pursuant to the provisions hereof.

"Refunded Bonds" shall mean together, the Refunded 2006 Bank Bonds, the Refunded 2007 Bonds and the Refunded 2009 Bank Bonds.

"Refunded Notes" shall mean together, the Refunded 2006 Note and the Refunded 2009 Note.

"Refunded 2006 Bank Bonds" shall mean the 2006 Bank Bonds which mature on March 1 in the years 2018 through 2031, both inclusive, or shall include such

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outstanding 2006 Bank Bonds maturing on March 1 in the years as determined in the Bond Purchase Agreement.

"Refunded 2006 Note" shall mean the principal installments of the 2006 Note maturing on March 1 in the years 2018 through 2031, both inclusive, being prepaid, such portion being identified in the Bond Purchase Agreement as the same amount in each year of the Refunded 2006 Bank Bonds being refunded with a portion of the proceeds of the Bonds.

"Refunded 2007 Bonds" shall mean the 2007 Bonds which mature on August 1 in the years 2017 through 2027, both inclusive, or shall include such outstanding 2007 Bonds maturing on August 1 in the years as determined in the Bond Purchase Agreement.

"Refunded 2009 Bank Bonds" shall mean the 2009 Bank Bonds which mature on February 1 in the years 2019 through 2029, both inclusive, or shall include such outstanding 2009 Bank Bonds maturing on February 1 in the years as determined in the Bond Purchase Agreement.

"Refunded 2009 Note" shall mean the principal installments of the 2009 Note maturing on February 1 in the years 2019 through 2029, both inclusive, being prepaid, such portion being identified in the Bond Purchase Agreement as the same amount in each year of the Refunded 2009 Bank Bonds being refunded with a portion of the proceeds of the Bonds.

"Refunding Project" shall mean together, the Refunding 2006 Project, the Refunding 2007 Project and the Refunding 2009 Project.

"Refunding 2006 Project" shall mean providing funds for (i) the refinance, prepayment and advance refunding of the Refunded 2006 Note and (ii) the contemporaneous advance refunding of the Refunded 2006 Bank Bonds, including funds for the redemption of the Callable 2006 Bank Bonds at a redemption price of 100% plus accrued interest.

"Refunding 2007 Project" shall mean providing funds for the current or advance refunding of the Refunded 2007 Bonds, including funds for the redemption of the Callable 2007 Bonds at a redemption price of 100% plus accrued interest.

"Refunding 2009 Project" shall mean providing funds for (i) the refinance, prepayment and advance refunding of the Refunded 2009 Note and (ii) the contemporaneous advance refunding of the Refunded 2009 Bank Bonds, including funds for the redemption of the Callable 2009 Bank Bonds at a redemption price of 100% plus accrued interest.

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

"Reserve Fund Credit Facility" if applicable, means an irrevocable and unconditional letter of credit, insurance policy or surety bond, the terms of which have been approved by the City, issued by a bank or other financial institution, which is acceptable to the City.

"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.

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"Revenue Fund" shall mean the revenue fund provided for in the Bond Resolution and described and provided for in the 2007 Resolution for the 2007 Bonds as the City's Water, Sewer and Fire Protection Revenue Fund.

"Securities Depository" means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

"Securities Depository Nominee" means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration records the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

"State" means the State of Mississippi.

"Surety Bond," if applicable, means the Reserve Fund Credit Facility issued by the Bond Insurer guaranteeing certain payments into the Debt Service Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

"Surety Bond Provider," if applicable, shall mean the Bond Insurer.

"System" shall mean the combined water and sewer system of the City.

"Transfer Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of owners of the Bonds and for the performance of such other duties as may be herein or hereafter specified by the Governing Body, and shall initially be the Paying Agent as designated in the Bond Purchase Agreement.

"Transferred Proceeds" shall mean funds, if applicable, transferred from the funds and accounts of the Refunded 2009 Bank Bonds to (i) provide funds for the debt service on the Bonds, (ii) fund the funds and accounts of the Bonds, and/or (ii) fund a portion of the Refunding 2009 Project.

"2006 Bank Bonds" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2006 (Southaven, Mississippi Water and Sewer System Project), dated March 1, 2006, issued under the 2006 Indenture in the aggregate principal amount of \$9,000,000, said 2006 Bank Bonds being secured by payments due by the City under the 2006 Loan Agreement for the 2006 Note.

"2006 Escrow Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the Refunded 2006 Bank Bonds, which 2006 Escrow Agent shall initially be Trustmark National Bank, Jackson, Mississippi.

"2006 Escrow Agreement" shall mean that 2006 Escrow Deposit Trust Agreement, dated the date of delivery of the Bonds, by and between the Bank and the 2006 Escrow Agent, as acknowledged and approved by the City, providing for the refunding of the Refunded 2006 Bank Bonds.

"2006 Indenture" shall mean the Indenture of Trust, dated March 1, 2006, by and between the Bank and Trustmark National Bank, Jackson, Mississippi, securing the 2006 Bank Bonds.

"2006 Loan" shall mean the loan provided by the Bank to the City under the 2006 Loan Agreement secured by the 2006 Note funded from the proceeds of the 2006 Bank Bonds.

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"2006 Loan Agreement" shall mean the Loan Agreement dated as of March 1, 2006, by and between the City and the Bank, secured by the 2006 Note.

"2006 Note" shall mean the City's Promissory Note (Southaven, Mississippi Water & Sewer System Project), dated March 1, 2006, issued in the original principal amount of \$9,000,000 under the 2006 Loan Agreement, said 2006 Note and 2006 Loan Agreement representing security for the 2006 Loan provided from the proceeds of the 2006 Bank Bonds under the 2006 Indenture.

"2006 Trustee" shall mean Trustmark National Bank, Jackson, Mississippi, in its capacity as trustee under the 2006 Indenture.

"2007 Bonds" shall mean the City of Southaven, Mississippi Combined Water and Sewer System Revenue Bonds, Series 2007, dated August 1, 2007, issued under the 2007 Resolution in the aggregate principal amount of \$5,400,000.

"2007 Contingent Fund" shall mean the fund provided for in the Bond Resolution and provided for in the 2007 Resolution for the 2007 Bonds said 2007 Contingent Fund to be maintained and utilized for the Bonds pursuant to the terms of this Bond Resolution following the final maturity of the Non-Refunded 2007 Bonds and the discharge of the 2007 Resolution.

"2007 Debt Service Account" shall mean the account described in the Bond Resolution and provided for in the 2007 Resolution for the 2007 Bonds.

"2007 Debt Service Reserve Account" shall mean the account described in the Bond Resolution and provided for in the 2007 Resolution for the 2007 Bonds.

"2007 Depreciation Fund" shall mean the fund provided for in the Bond Resolution and provided for in the 2007 Resolution for the 2007 Bonds said 2007 Depreciation Fund to be maintained and utilized for the Bonds pursuant to the terms of this Bond Resolution following the final maturity of the Non-Refunded 2007 Bonds and the discharge of the 2007 Resolution.

"2007 Escrow Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the Refunded 2007 Bonds, which 2007 Escrow Agent shall initially be Regions Bank, Birmingham, Alabama.

"2007 Escrow Agreement" shall mean that 2007 Escrow Agreement, dated the date of delivery of the Bonds, by and between the City and the 2007 Escrow Agent, providing for the refunding of the Refunded 2007 Bonds.

"2007 Operation and Maintenance Fund" shall mean the fund provided for in the Bond Resolution and provided for in the 2007 Resolution for the 2007 Bonds.

"2007 Paying Agent" shall mean Regions Bank, Birmingham, Alabama.

"2007 Resolution" shall mean the bond resolution, adopted by the Governing Body of the City on August 7, 2007, as amended September 4, 2007 in connection with the 2007 Bonds.

"2009 Bank Bonds" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2009 (Southaven, Mississippi Water and Sewer System Project), dated February 1, 2009, issued under the 2009 Indenture in the aggregate principal amount of \$6,500,000, said 2009 Bank Bonds being secured by payments due by the City under the 2009 Loan Agreement for the 2009 Note.

"2009 Escrow Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of

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and interest on the Refunded 2009 Bank Bonds, which 2009 Escrow Agent shall initially be Trustmark National Bank, Jackson, Mississippi.

"2009 Escrow Agreement" shall mean that 2009 Escrow Deposit Trust Agreement, dated the date of delivery of the Bonds, by and between the Bank and the 2009 Escrow Agent, as acknowledged and approved by the City, providing for the refunding of the Refunded 2009 Bank Bonds.

"2009 Indenture" shall mean the Indenture of Trust, dated February 1, 2009, by and between the Bank and Regions Bank, Birmingham, Alabama, securing the 2009 Bank Bonds.

"2009 Loan" shall mean the loan provided by the Bank to the City under the 2009 Loan Agreement secured by the 2009 Note funded from the proceeds of the 2009 Bank Bonds.

"2009 Loan Agreement" shall mean the Loan Agreement, dated as of February 1, 2009, by and between the City and the Bank, secured by the 2009 Note.

"2009 Note" shall mean the City's Promissory Note (Southaven, Mississippi Water & Sewer System Project), dated February 1, 2009, issued in the original principal amount of \$6,500,000 under the 2009 Loan Agreement, said 2009 Note and 2009 Loan Agreement representing security for the 2009 Loan provided from the proceeds of the 2009 Bank Bonds under the 2009 Indenture.

"2009 Trustee" shall mean Regions Bank, Birmingham, Alabama, in its capacity as trustee under the 2009 Indenture.

"2016 Costs of Issuance Fund" shall mean the City of Southaven, Mississippi Combined Water and Sewer System Revenue Refunding Bonds, Series 2016 Costs of Issuance Fund provided for in Section 25 hereof.

"2016 Debt Service Fund" shall mean the City of Southaven, Mississippi Combined Water and Sewer System Revenue Refunding Bonds, 2016 Debt Service Fund provided for in Section 15(b) hereof.

"Underwriter" shall mean Raymond James & Associates, Inc., Memphis, Tennessee.

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

2. The City is authorized under the provisions of the Act to issue its Bonds to fund the Project. It is advisable and in the public interest to issue the Bonds for the purpose stated herein.

3. The estimated cost of the Project is not to exceed Fourteen Million Seven Hundred Fifty Thousand Dollars (\$14,750,000).

4. The City is authorized under the provisions of the Act to issue its Bonds to provide funds for the Project, said Bonds to be payable solely from Net Revenues, subject to the parity lien of the Non-Refunded 2007 Bonds.

5. As of the date of this Bond Resolution, the 2007 Bonds are the only indebtedness of the City consisting, or secured by, a lien on Net Revenues, as defined herein and as set forth in the 2007 Resolution.

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6. The terms and provisions of this Bond Resolution are subject to the terms and provisions of the 2007 Resolution, pertaining to parity indebtedness secured by Net Revenues, of the System as defined herein and described in the 2007 Resolution.

7. The amount of the Bonds, when added to the outstanding indebtedness of the City, will not exceed any constitutional or statutory limitation of indebtedness.

8. The Bonds are not private activity bonds as such term is defined in Section 141 of the Code.

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

10. The Governing Body recognizes that the current low interest rate environment provides an opportunity to refund the Refunded Bonds, and the Governing Body further realizes that the Governing Body must move expeditiously to accomplish the greatest savings possible by the issuance of the Bonds.

11. In that the bond market is volatile, the Governing Body needs to authorize the negotiated sale of the Bonds to the Underwriter, subject to the satisfaction of the conditions as hereinafter set forth in Section 42 and authorizes the Mayor and Clerk to execute the Bond Purchase Agreement, prior to a scheduled meeting of the Governing Body in order to maximize the savings to the City regarding the issuance of the Bonds.

12. The City recognizes that in order to prepare the necessary offering documents it is in the best interest of the City to authorize Bond Counsel and Municipal Advisor to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Bonds to the Underwriter and effectuate the issuance of such Bonds.

13. It is necessary to approve the form of and execution of the Preliminary Official Statement, to be dated the date of distribution thereof (the "Preliminary Official Statement") for the sale of the Bonds and the distribution thereof to prospective purchasers of the Bonds.

14. It is necessary to approve the form of and execution of the Bond Purchase Agreement with regard to the sale of the Bonds.

15. It is necessary to approve the form of, execution and distribution of an Official Statement, to be dated the date of execution of the Bond Purchase Agreement (the "Official Statement") for the Bonds.

16. It is necessary to approve the 2006 Escrow Agent, the 2007 Escrow Agent and the 2009 Escrow Agent and the form of and execution of the

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2006 Escrow Agreement, the 2007 Escrow Agreement and the 2009 Escrow Agreement for the Refunded 2006 Bank Bonds, Refunded 2007 Bonds and Refunded 2009 Bank Bonds, respectively.

17. It is necessary to authorize the Mayor or Clerk of the City to provide a written notification to (a) the 2006 Trustee of the advance refunding of the Refunded 2006 Bank Bonds; (b) the 2007 Paying Agent of the current or advance refunding of the Refunded 2007 Bonds; and (c) the 2009 Trustee of the advance refunding of the Refunded 2009 Bank Bonds.

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

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

SECTION 1. (a) The combined water and sewer facilities of the City are

SECTION 2. presently operated as the System.

(a) The Refunded 2006 Bank Bonds, the Refunded 2007 Bonds and the Refunded 2009 Bank Bonds shall be refunded with a portion of the proceeds of the Bonds and, if applicable, any Transferred Proceeds of the Refunded Bonds.

SECTION 3. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the City for the benefit of the Registered Owners shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 4. (a) The Bonds shall initially be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 3. Any provision of this Bond Resolution or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the Registration Records maintained by the Paying Agent that such Bonds are subject to the Book-Entry System.

(b) So long as a Book-Entry System is being used, one Bond in the aggregate principal amount of the Bonds and registered in the name of the Securities Depository, the Securities Depository Nominee and the Participants and Indirect Participants will evidence beneficial ownership of the Bonds in authorized denominations, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the Registration Records as the Registered Holder of such Bond or its registered assigns or legal representative at the principal office of the Paying

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Agent. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the Holder of the Bonds for all purposes. Transfer of principal, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository and transfer of principal, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the registered owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such Holder, without notice to or the consent of the Beneficial Owners, the Paying Agent, with the consent of the City, and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such event, the Paying Agent shall make payments with respect to the Bonds in such manner as if set forth herein.

(c) The City may at any time elect (i) to provide for the replacement of any Securities Depository as the depository for the Bonds with another qualified Securities Depository, or (ii) to discontinue the maintenance of the Bonds under a Book-Entry System. In such event, and upon being notified by the City of such election, the Paying Agent shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(d) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the City will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees, as further described below. In such event, the Paying Agent shall make provisions to notify Participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Paying Agent in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(e) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the City shall promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the Participants provided to the Paying Agent, as of the date set forth in the notice described above. Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in **EXHIBIT A** hereto.

(f) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the City will issue to the replacement Securities Depository Bonds substantially in the form set forth herein, registered in the name of such replacement Securities Depository.

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(g) Each Securities Depository and the Participants, the Indirect Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the City and the Paying Agent shall have no liability for the failure of any Securities Depository to perform its obligation to any Participant, Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such Participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

(h) Notwithstanding any other provision of this Bond Resolution, on or prior to the date of issuance of the Bonds, the Paying Agent shall have executed and delivered to the initial Securities Depository a Letter of Representations governing various matters relating to the Securities Depository and its activities pertaining to the Bonds. The terms and provisions of such Letter of Representations are incorporated herein by reference and in the event there shall exist any inconsistency between the substantive provisions of the said Letter of Representations and any provisions of this Bond Resolution, then, for as long as the initial Securities Depository shall serve with respect to the Bonds, the terms of the Letter of Representations shall govern.

(i) Notwithstanding any provision in this Bond Resolution to the contrary, at all times in which the Book-Entry System is in effect, any references to physical delivery of a Bond shall not be required.

SECTION 5. (a) The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Fourteen Million Seven Hundred Fifty Thousand Dollars (\$14,750,000) to raise money, which funds, together with Transferred Proceeds, if applicable, will provide monies for the Project. Transferred Proceeds, if applicable, will be used for the Refunding 2007 Project and Refunding 2009 Project, as applicable, and will be defined in the Official Statement and/or the Bond Purchase Agreement. The principal of and the interest on the Bonds shall be payable in accordance with and as authorized by this Bond Resolution and the Act.

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

(c) The Bonds shall be registered as to both principal and interest; shall be dated the date of delivery thereof; shall be issued in the principal denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one upward in the order of issuance; shall bear interest from the date thereof at the rate or rates specified in the Bond Purchase Agreement, payable on February 1 and August 1 of each year (each an "Interest Payment Date") until maturity, commencing August 1, 2016, unless otherwise specified in the Bond Purchase Agreement, such interest rate or rates to be in compliance with the Act; and shall mature and become due and payable on February 1 in the years and in the amounts as determined in the Bond Purchase Agreement, with the final maturity occurring not later than February 1, 2031.

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(d) The Bonds may be subject to optional or mandatory sinking fund redemption prior to their stated dates of maturity as set forth in the Bond Purchase Agreement

(e) If notice of redemption is required in the Bond Purchase Agreement, notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

(f) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State of Mississippi, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), (b) certificates of deposit or municipal obligations fully secured by Government Obligations or (c) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) State and Local Government Series ("SLGS") Securities, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under this Bond Resolution and shall no longer be deemed to be outstanding hereunder, and the Registered Owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under this Bond Resolution if said investments, with interest, mature

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and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

SECTION 6. (a) The Bonds may be validated and executed as herein provided; and if they are validated they shall be registered as an obligation of the City in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse side of, or attached to, each of the Bonds, over her manual or facsimile signature and manual or facsimile seal, his certificate in substantially the form set out in **EXHIBIT A** hereto.

(b) The Bonds shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the seal of the City imprinted or affixed thereto; provided, however all signatures and seals appearing on the Bonds, other than the signature of an authorized officer of the Transfer 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 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 Bonds shall be delivered to the Underwriter upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation, if applicable, of the Bonds, and the final, unqualified approving opinion of Bond Counsel.

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

(i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation, if applicable, of the Bonds; and

(ii) an authorization to the Transfer Agent, signed by the Mayor or Clerk, to authenticate and deliver the Bonds to the Underwriter.

(e) At delivery, the Transfer Agent shall authenticate the Bonds and deliver them to the Underwriter thereof upon payment of the purchase price of the Bonds to the City.

(f) Bonds, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the City to meet the reasonable transfer and reissuance needs on the Bonds, shall be printed and delivered to the Transfer Agent in generally-accepted format, and held by the Transfer Agent until needed for transfer or reissuance, whereupon the Transfer Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Transfer Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional Bonds bearing the facsimile seal of the

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City and facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 7. (a) The City will appoint the Paying and Transfer Agent for the Bonds. The Mayor and/or Clerk are hereby authorized and directed to appoint the Paying and Transfer Agent to be designated in and evidenced by the execution of the Bond Purchase Agreement. The Paying and Transfer Agent shall be a bank or trust company located within the State of Mississippi. The City specifically reserves the right to hereafter designate a separate Transfer Agent and/or Paying Agent in its discretion in the manner hereinafter provided.

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

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

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

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

(iii) In the event of a change of Agents, the predecessor Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Agent, and the successor 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 Agent shall be

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fully paid. Every predecessor Agent shall deliver to its successor Agent all records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Agent.

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

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

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

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

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

(e) Any corporation or association into which an Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Agent hereunder and vested with all the powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor Agent, anything herein to the contrary notwithstanding, provided only that such successor Agent shall be satisfactory to the City and eligible under the provisions of Section 6(d)(iv) hereof.

SECTION 8. The Bonds shall be in substantially the form attached hereto as **EXHIBIT A**, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution.

SECTION 8. In case any Bond shall become mutilated or be stolen, destroyed or lost, the City shall, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and

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substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or Paying Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the City or Paying Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote. The provision of this Section 8 shall not apply if the Book-Entry System is in effect.

SECTION 9. Only such of the Bonds as shall have endorsed thereon a

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

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

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

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principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

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

SECTION 12. (a) Payment of principal on the 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 Transfer Agent as of the Record Date.

(b) Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof whose name shall appear in the registration records of the City maintained by the Transfer Agent as of the Record Date. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Principal of and interest on the Bonds shall be paid by check or draft mailed 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 principal of and interest on the Bonds shall be payable solely from a pledge of Net Revenues subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and the parity lien of the Non-Refunded 2007 Bonds. The 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 Bonds, either as to principal or interest.

SECTION 14. From and after the issuance and delivery of the 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 by the City and shall be deposited into the Revenue Fund created under the 2007 Resolution securing the 2007 Bonds and any parity indebtedness, including, the Bonds. 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, created pursuant to the 2007 Resolution and this Bond Resolution,

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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 Bonds, there shall be deposited into the 2007 Operation and Maintenance Fund created under the 2007 Resolution, such 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 this subsection (a) during the preceding months shall have been insufficient to pay all such expenses, an amount sufficient to repay such deficiencies. The aggregate amounts annually deposited in the 2007 Operation and Maintenance Fund shall at all times equal annual current expenses.

(b) The following deposits shall be made to the 2007 Debt Service Fund and the 2007 Debt Service Reserve Account created under the 2007 Resolution and the 2016 Debt Service Fund and 2016 Debt Service Reserve Fund created under this Bond Resolution:

(i) On the first business day of each month, commencing in the first month after the delivery of the Bonds, there shall be deposited, (a) to the credit of the 2007 Debt Service Fund; provided, however, that the obligation of the City to make any such deposit hereunder shall be reduced by the amount of any reduction under the 2007 Resolution of the amount of the corresponding payment required to be made by the City thereunder (it being understood payment under any insurance policy or reserve policy, if applicable, shall not reduce such obligation), as long as the Non-Refunded 2007 Bonds are outstanding, 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 Non-Refunded 2007 Bonds is due; and (b) into the 2016 Debt Service Fund 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 Bonds is due.

(ii) Provided, that in addition to the moneys required to be paid into the funds as set forth in (i) above, moneys shall be paid and/or deposited into the following funds as follows:

(1) as long as the Non-Refunded 2007 Bonds are outstanding, pay to the credit of the 2007 Debt Service Reserve Account created under the 2007 Resolution for the 2007 Bonds, the amount, if any, required to be paid into the 2007 Debt Service Reserve Account in order to ensure that the amount on deposit therein equals the debt service reserve requirement for said 2007 Debt Service Reserve Account established by the provisions of the 2007 Resolution; provided, however, if the amount on deposit in the 2007 Debt Service Reserve Account as valued on the last day of any bond year is more than the debt service reserve requirement for said 2007 Debt Service Reserve Account, the amount of such excess shall be transferred to the 2007 Debt Service Fund; and

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(2) deposit to the Debt Service Reserve Fund established under this Bond Resolution amounts sufficient to meet any deficiency in the 2016 Debt Service Fund in future years; provided, however, in order to fully fund the Debt Service Reserve Fund, the Clerk shall immediately upon delivery of the Bonds deposit a portion of the proceeds of the Bonds and/or a portion of any Transferred Proceeds, if applicable, and, if necessary, an additional amount, which, together with amounts already on deposit therein, will be equal to the Debt Service Reserve Requirement at which amount the Debt Service Reserve Fund shall thereafter be maintained by such future payments as may be necessary for that purpose. The Debt Service Reserve Fund shall be used only to pay maturing principal and accruing interest, or both, on the Bonds and only whenever and to the extent that funds otherwise available in the 2016 Debt Service Fund are insufficient for that purpose. No funds paid into the 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 Bonds. If the amount on deposit in the Debt Service Reserve Fund as valued on the last day of any Bond Year is more than the Debt Service Reserve Requirement, the amount of such excess shall be transferred to the 2016 Debt Service Fund. The initial deposit into the Debt Service Reserve Fund may be funded with a Surety Bond.

(c) As long as any Non-Refunded 2007 Bonds remain outstanding, there shall be deposited in the 2007 Contingent Fund such amount as required by the 2007 Resolution and utilized as set forth in the 2007 Resolution. Upon full payment of the Non-Refunded 2007 Bonds, said fund shall survive the discharge of the 2007 Resolution and continue to be funded in an amount of Five Thousand Dollars (\$5,000) (at which amount said fund shall thereafter be maintained by such future payments as may be necessary for that purpose) and be governed by the terms of the Bond Resolution. 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; provided, however, that in the event the funds otherwise provided for by the Bond Resolution for the payment of the principal of and interest on the 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 the Bond Resolution shall be drawn from the 2007 Contingent Fund, together with funds otherwise available, to pay such accruing interest and to provide for the payment of principal as set forth in the Bond Resolution.

(d) As long as any Non-Refunded 2007 Bonds remain outstanding, there shall be deposited in the 2007 Depreciation Fund such amount as required by the 2007 Resolution and utilized as set forth in the 2007 Resolution. Upon full payment of the Non-Refunded 2007 Bonds, said fund shall survive the discharge of the 2007 Resolution and continue to be funded in an amount of Five Thousand Dollars (\$5,000) (at which amount said fund shall thereafter be maintained by such future payments as may be necessary for that purpose) and be governed by the terms of the Bond Resolution. Said 2007 Depreciation Fund shall be used only to replace such parts of the System as may need replacement

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in order to keep the System operating in an economical and efficient manner; provided however, that in the event of the funds otherwise established by the Bond Resolution for the payment of the principal of and interest on the Bonds shall 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 the Bond Resolution shall be drawn from the 2007 Depreciation Fund, together with funds otherwise available, to pay such accruing interest and to provide for the payment of principal as set forth in the Bond Resolution.

The Revenue Fund and the 2007 Operation and Maintenance Fund, will survive the payment in full or refunding in advance of maturity of the Non-Refunded 2007 Bonds, while the Bonds, or any indebtedness issued on parity with the Bonds, are outstanding and such funds will be governing by the provisions of this Bond Resolution and any resolution securing said parity indebtedness.

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, pending such application, shall be subject to a lien and charge in favor and for the security of Registered Owners for the Bonds and the registered owners of the Non-Refunded 2007 Bonds until paid out or transferred as herein provided. Any surplus Revenues remaining after all deposits and transfers required or allowed by the Bond Resolution shall be used solely for purposes pertaining to the System.

SECTION 16. If Net Revenues shall be insufficient at any time to make the payments or deposits from the Net Revenues required by Section 15 hereof, the deficiency shall be made good by additional payments to be made out of the first available Net Revenues received during any succeeding month or months.

SECTION 17. Subject to the provisions of the Non-Refunded 2007 Bonds, 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 of Mississippi for other funds of the City, or, in the discretion of the Governing Body, may be invested as directed in this Bond Resolution in investments authorized under the laws of the State of Mississippi as may now be or hereafter become. 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 and applied toward the purposes set forth in such fund.

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 Bond Resolution, and that it will do or cause to be done, in apt time

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and season, each and every official act necessary for the payment of the principal of and the interest on the 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 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 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 provide Net Revenues sufficient: (i) to pay the Current Expenses of the System, and (ii) to provide, as long as the Non-Refunded 2007 Bonds are outstanding, one hundred twenty percent (120%) of the amount of the maximum Principal and Interest Requirements and the payments required to be made to the credit of the 2007 Debt Service Reserve Account and the Debt Service Reserve Fund for the current Bond Year on account of the Bonds and the Non-Refunded 2007 Bonds then outstanding; and (ii) thereafter one hundred ten percent (110%) of the amount of the maximum Principal and Interest Requirements and the payments required to be made to the credit of the Debt Service Reserve Fund for the current Bond Year on account of the Bonds then outstanding.

(c) If the Net 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 the City shall, as promptly as possible, take such actions necessary regarding 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. 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. Failure to take such actions or (i) if coverage is less, as long as the Non-Refunded 2007 Bonds are outstanding, than one hundred twenty percent (120%) of the maximum Principal and Interest Requirements of the Bonds and the Non-Refunded 2007 Bonds outstanding and the payment required to be made to the credit of the 2007 Debt Service Fund and the Debt Service Reserve Fund, or (ii) upon full payment of the Non-Refunded 2007 Bonds, if coverage is less than one hundred ten percent (110%) of the maximum Principal and Interest Requirements of the Bonds and the payment required to be made to the credit of the Debt Service Reserve Fund, shall be a breach of the City's covenants herein.

(d) As long as any of the 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 Bonds.

(e) The City shall set up and maintain a proper system of accounts showing

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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 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.

(f) The Registered Owner of any of the 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.

(g) Except as provided for by this Bond Resolution, the City will not create or permit to be created any charge or lien on Net Revenues ranking equal or prior to the charge or lien of the Bonds and the Non-Refunded 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 Bond Resolution.

SECTION 21. (a) From and after the issuance of the 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 Net 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 and the Non-Refunded 2007 Bonds.

(b) The City shall have the right to issue one or more additional bond series to be secured by a parity lien on and ratably payable from Net Revenues and any other security pledged to the Bonds, including the Non-Refunded 2007 Bonds, subject to the provisions of the 2007 Resolution, respectively, regarding parity indebtedness, provided in each instance that:

- (i) the Net Revenues available for payments of principal and interest on the Bonds, the Non-Refunded 2007 Bonds for a period of 12 consecutive months during the 18 months preceding the month in which such additional

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parity bonds are issued must be certified by an accountant to have been at least equal to 120% (as long as the Non-Refunded 2007 Bonds are outstanding) of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds, the Non-Refunded 2007 Bonds, any other outstanding bonds and the bonds proposed to be issued, and thereafter equal to 110% of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds, the Non-Refunded 2007 Bonds, any other outstanding bonds and the 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 Net 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 120% (as long as the Non-Refunded 2007 Bonds are outstanding) of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds, any other outstanding bonds, and the bonds proposed to be issued, and thereafter equal to 110% of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds, any other outstanding bonds, and the 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 Debt Service Account, until the Non-Refunded 2007 Bonds are still outstanding, and the 2016 Debt Service 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 the increase in the Debt Service Reserve Fund resulting from the issuance of such additional bonds from the proceeds of such additional bonds.

(c) The City hereby covenants and agrees that in the event additional series of parity bonds are issued following the final maturity of the Non-Refunded 2007 Bonds, it shall:

(i) Adjust the deposits into the 2016 Debt Service 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 the 2016 Debt Service Fund 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 of the Debt Service Reserve Fund to a sum equal to the lesser of the following: (1) the Debt Service Reserve Fund Requirement as calculated for the Bonds, and such additional parity bonds; and (2) the maximum amount which, if deposited therein, in the opinion of nationally recognized bond counsel, would not adversely affect the tax-exempt status of interest on the Bonds and such additional bonds. The additional funds required to provide the lesser of (1) or (2) as set forth in the immediate preceding sentence shall be funded from the proceeds of the additional parity bonds.

(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 bonds secured by a parity lien on Net Revenues that excess moneys in the 2016 Debt Service Fund shall be used to redeem bonds in advance of scheduled maturity or if the City, at its option, undertakes to redeem

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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 the Non-Refunded 2007 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 22. (a) The provisions of this Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds, and after the issuance of the 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 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 of Mississippi. Such instruments shall contain or be accompanied by proofs of ownership of specified numbers and principal amounts of the Bonds, shall be filed in the office of the Clerk and shall be a public record.

(b) Any and all modifications 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 Bond 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 Bonds at the time and place and at the rate and in the currency as provided therein, without the express consent of the Registered Owner of any of such Bonds, nor reduce the percentage of the 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 and 19 hereof.

SECTION 23. The Bonds and the Non-Refunded 2007 Bonds shall be payable equally and ratably, without regard to the date when the Bonds actually shall be delivered and shall enjoy parity of lien, one with the other, upon Net Revenues.

SECTION 24. A certain portion of the principal proceeds of the Bonds and, if applicable, a portion of the Transferred Proceeds, will be remitted directly to the (a) 2006 Escrow Agent to effectuate the Refunding 2006 Project; (b) 2007 Escrow Agent or 2007 Paying Agent to effectuate the Refunding 2007 Project; and (c) 2009 Escrow Agent to effectuate the Refunding 2009 Project.

SECTION 25. (a) The City hereby establishes the 2016 Costs of Issuance Fund which shall be held by the 2006 Escrow Agent pursuant to the 2006 Escrow Agreement, for and on behalf of the City. A certain portion of the proceeds received upon the sale of the Bonds shall be deposited in the 2016 Costs of Issuance Fund. Any income received from investment of monies in the 2016 Costs of Issuance Fund shall be deposited in the 2016 Costs of Issuance Fund.

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Funds in the 2016 Costs of Issuance Fund shall be used to pay the costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale, validation, if applicable, and delivery of the Bonds. Any amounts which remain in the 2016 Costs of Issuance Fund after the payment of the costs of issuance for the Bonds shall be transferred by the 2006 Escrow Agent to the City for deposit to the 2016 Debt Service Fund and used as permitted under State law.

(b) The Mayor is hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the payment by the 2006 Escrow Agent, acting for an on behalf of the City, on the closing date of the Bonds the costs of issuance of said Bonds; provided, however, total costs of issuance for said Bonds shall not exceed five percent (5%) of the par amount of the Bonds (excluding the Underwriter's discount and original issue discount, and any costs associated with the Bond Insurance Policy and Surety Bond, if applicable).

SECTION 26. (a) Upon the occurrence of an event of default, the Registered Owner of any of the 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 Bond Resolution.

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

(i) failure by the City to pay any installment of principal or Redemption Price 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 Bond Resolution or in the 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) an Act of Bankruptcy occurs.

(c) If there be any default in the payment of the principal of and interest on the Bonds, any court having jurisdiction in the proper action may, upon petition of the Registered Owners of a majority in principal amount of the 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 Bonds and to pay the expense of operating and maintaining the System in conformity with the provisions of the Act and of this Bond Resolution; provided, however, if the Non-Refunded 2007 Bonds are outstanding, the provisions of this sub-section will be subject to the provisions of the 2007 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 Bonds, plus the sum then due as the charges of the Paying Agent for its services and responsibility under the terms of this Bond Resolution, which charges shall be expenses of operation and shall be charged to and payable from the 2007 Operation and Maintenance Fund referred to in this Bond Resolution.

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SECTION 28. The Bonds may be submitted to validation as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended, and for that purpose the Clerk, if required, 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 Bonds, including transcripts of records, resolutions, proofs of publication, tabulation or votes and all facts pertaining to the issuance of the Bonds.

SECTION 29. If the City shall pay or cause to be paid to the Registered Owners of the 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 Bonds and in this Bond Resolution expressed as to be kept, performed and observed by it or on its part and shall pay or cause to be paid to the Paying Agent all sums of money due or to become due according to the provisions hereof, then the rights of the Registered Owners under the Bond Resolution shall cease, determine and be void, and thereupon the lien of this Bond Resolution on Net Revenues shall be defeased, canceled and discharged.

SECTION 30. The City hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 31. The City hereby covenants with regard to the Refunded 2006 Bank Bonds, the Refunded 2007 Bonds and the Refunded 2009 Bank Bonds as follows:

- (a) it has not abandoned, sold or otherwise disposed of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the 2006 Note, the 2006 Bank Bonds, the 2007 Bonds, the 2009 Note and the 2009 Bank Bonds;
- (b) it does not intend to, during the term that any of the Bonds allocable to the Refunding Project are outstanding, abandon, sell or otherwise dispose of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the 2006 Note, the 2006 Bank Bonds, the 2007 Bonds, the 2009 Note and the 2009 Bank Bonds;
- (c) it shall timely file with the Ogden, Utah Service Center of the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code;
- (d) it shall take no action that would cause the Bonds to be "federally

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guaranteed" within the meaning of Section 149(b) of the Code;

(e) it will not employ an abusive arbitrage device in connection with the issuance by it of the Bonds which will (1) enable it to obtain a material financial advantage (based on arbitrage) apart from the savings that may be realized as a result of the lower interest rates on the Bonds than on the Refunded 2006 Note, the Refunded 2006 Bank Bonds, the Refunded 2007 Bonds, the Refunded 2009 Note and the Refunded 2009 Bank Bonds and (2) overburden the tax-exempt bond market; and

(f) the amount of "excess gross proceeds", as such term is defined in Income Tax Regulation § 1.148-10(c)(2), of the Bonds allocable to the Refunding Project will not exceed one percent (1%) of the proceeds received from the sale thereof.

SECTION 32. The City covenants that it will make no Prohibited Payments as that term is used in the regulations promulgated under the Code.

SECTION 33. The City does not designate the Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code.

SECTION 34. The City hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code ("Rebate") in the manner described in Regulation §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds. In accordance therewith, the City shall:

(a) Within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year" (which shall be the five-year period ending on the date five years subsequent to the date of the closing, unless another date is selected by the Governing Body of the City, and each succeeding fifth "bond year"), and within sixty (60) days of the date the last bond that is part of the Bonds is discharged the City shall (i) calculate, or cause to be calculated, the "rebate amount" as of each "computation date" or the "final computation date" attributable to any investment in "investment-type property" made by the City, of "gross proceeds" of the Bonds, and (ii) remit the following to the United States Treasury within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year": (A) an amount of money equal to such "rebate amount" (treating for purposes of such calculation any previous payments made to the United States Treasury on account of such "rebate amount" as if the payment on any such date was an "expenditure" constituting a "rebate payment"), (B) the calculations supporting the amount of "rebate amount" attributable to any investments in "investment-type property" made by the City of gross proceeds of the Bonds and (C) any other information required to comply with Section 148 of the Code.

(b) The City shall keep accurate records of each investment-type property (as that term is defined in Section 148(b) of the Code), if any, acquired, directly or indirectly, with "gross proceeds" of the Bonds and each expenditure it makes with "gross proceeds". Such records shall include the purchase price, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively realized on disposition, disposition date, and evidence of the "fair market value"

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of such property on the purchase date and disposition date (or deemed purchase or disposition date), for each item of such "investment-type property".

SECTION 35. In the event the City receives an opinion of nationally recognized bond counsel to the effect that any of the computations, deposits or payments referenced in Section 34 herein are not required to be made in order to maintain the tax-exempt status of interest on the Bonds, the City need not make such computations, deposits or payments.

SECTION 36. 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 Bond 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 Sections 21-27-23 and 21-27-41 through 21-27-69, Mississippi Code of 1972, as amended and/or supplemented from time to time, 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 (i) without any cost to or payment by the City, or (ii) upon payment of such amount or cost as the City shall determine to be proper in the circumstances.

SECTION 37. 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 38. The City covenants that it will not provide free service to any user of the System unless permitted by State statute.

SECTION 39. The City hereby agrees for the benefit of the holders and beneficial owners of the Bonds for so long as it remains obligated to advance funds to pay the Bonds to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the Municipal Securities Rulemaking Board ("MSRB") through MSRB's Electronic Municipal Market Access system at www.emma.msrb.org ("EMMA"), in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") (the "Required Electronic Format") pursuant to Rule 15c2-12, as amended from time to time (the "Rule") of the SEC, together with any identifying information or other information then required to accompany the

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applicable filing (the "Accompanying Information"). This information will be available free to securities brokers and others through EMMA.

The City will provide certain updated financial information and operating data to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information. The information to be updated includes all quantitative financial information and operating data with respect to the City as set forth in the Continuing Disclosure Certificate, the form of which is included in the Official Statement. The City will update and provide this information within twelve months after the end of each fiscal year of the City ending in or after September 30, 2016.

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the City's audit is completed by the required time. Any such financial statements will be prepared in accordance with the accounting principles promulgated by the State of Mississippi or such other accounting principles as the City may be required to employ from time to time pursuant to law or regulation.

The City's current fiscal year end is September 30. If the City changes its fiscal year, it will notify the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information.

Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 119 W. 8th Avenue, Southaven, Mississippi 39465, Telephone Number: (601) 545-1776.

The City will also provide notice to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, in a timely manner not in excess of ten business days after the occurrence of certain events. The City will provide notice of any of the following events with respect to the Bonds, in a timely manner not in excess of ten business days after the occurrence of such event: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves, reflecting financial difficulties; (3) unscheduled draws on credit enhancements, reflecting financial difficulties; (4) substitution of credit or liquidity providers for the Bonds; or their failure to perform; (5) adverse tax opinions, IRS notices or events affecting the tax status of the Bonds; (6) defeasances; (7) rating changes; (8) tender offers; and (9) bankruptcy, insolvency receivership, or a similar proceeding by the obligated person. The City will provide to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, notice of an occurrence of the following events, if such event is material to a decision to purchase or sell Bonds, in a timely manner not in excess of ten business days after the occurrence of an event: (1) non-payment related defaults; (2) modifications to the rights of bond holders; (3) bond calls or redemption; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, acquisition involving an obligated person, other than in the ordinary course of business, or the sale of all or substantially all the assets of an obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and (6) appointment of a successor or

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additional trustee, or the change in the name of the trustee. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under paragraphs 2, 3 and 4 of this Section.

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

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

SECTION 41. That the Governing Body of the City hereby approves, adopts and ratifies the Preliminary Official Statement for the sale of the Bonds in substantially the form attached hereto as **EXHIBIT B**. The City hereby deems the Preliminary Official Statement to be "final" as required by Rule 15c2-12(b)(1) of the Securities and Exchange Commission.

SECTION 42. That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

SECTION 43. That the Governing Body of the City hereby authorizes the negotiation of the sale of the Bonds to the Underwriter and authorizes the execution by the Mayor and Clerk of the Governing Body of the Bond Purchase Agreement in substantially the same form attached hereto as **EXHIBIT C** for and on behalf of the City, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications), and provided that the following parameters are met: (1) the par amount of the Bonds will not exceed \$14,750,000; (2) the net interest cost of the Bonds will not exceed 4.00%; (3) the

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term of the Bonds will not exceed February 1, 2031; and (4) terms and provisions of the Bonds in compliance with the Act.

SECTION 44. Upon the execution of the Bond Purchase Agreement, the Mayor and Clerk are hereby authorized and directed to cause to be prepared and to execute a final Official Statement in connection with the Bonds in substantially the form of the Preliminary Official Statement, subject to minor amendments and supplement as approved by the Mayor and Clerk executing same (the execution thereof shall constitute approval of any such completions, changes, insertions and modifications).

SECTION 45. The Governing Body recognizes and acknowledges that due to uncertain conditions in the municipal bond marketplace from time to time, that it may or may not be determined to be advisable to refund any, all or a portion of the Refunded Bonds at any given time. Therefore the Governing Body does hereby grant authority to the Mayor to provide for the final selection and approval of the obligations, amounts, and maturities of the Refunded Bonds to be refunded with the Bonds.

SECTION 46. The President and Clerk, acting for and on behalf of the City, and the counsel to the City are hereby authorized to apply for a commitment for the provision of a Bond Insurance Policy and/or a Surety Bond. If the City executes a commitment for the provision of a Bond Insurance Policy and/or a Surety Bond for the Bonds and any additional documents and certificates which are required by any provider of such Bond Insurance Policy and/or Surety Bond selected to provide credit enhancement and funding for the Debt Service Reserve Requirement for the Debt Service Reserve Fund, respectively, in connection with the issuance of the Bonds, the Mayor, Clerk and/or any other Authorized Officers of the Governing Body is hereby authorized to approve any changes, insertions and omissions as may be required by the provider of the Bond Insurance Policy and/or Surety Bond to the Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the 2006 Escrow Agreement, the 2007 Escrow Agreement and the 2009 Escrow Agreement as are approved by the Mayor of the City evidenced by his execution of the commitment for said Bond Insurance Policy and/or Surety Bond and other additional documents and certificates. The Governing Body hereby authorizes and approves the execution of said commitments for said Bond Insurance Policy and/or Surety Bond by the Mayor of the City, for and on behalf of the City, if applicable.

SECTION 47. This resolution shall serve as notice to the 2006 Trustee, the 2007 Paying Agent and the 2009 Trustee of the City's desire to provide for refunding of the Refunded 2006 Bank Bonds, the Refunded 2007 Bonds and the Refunded 2009 Bank Bonds, respectively.

SECTION 48. The form of and the execution by the Mayor or Clerk of the 2006 Bank Bonds Notice of Refunding/Redemption, attached hereto as **EXHIBIT D** is hereby approved.

SECTION 49. The form of and the execution by the Mayor or Clerk of the 2007

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Bonds Notice of Notice of Refunding/Redemption, attached hereto as **EXHIBIT E** is hereby approved.

SECTION 50. The form of and the execution by the Mayor or Clerk of the 2009 Bank Bonds Notice of Refunding/Redemption, attached hereto as **EXHIBIT F** is hereby approved.

SECTION 51. That the Governing Body hereby approves the form of the 2006 Escrow Agreement, the 2007 Escrow Agreement and the 2009 Escrow Agreement, respectively, attached hereto as **EXHIBIT G**, **EXHIBIT H** and **EXHIBIT I**, respectively, for and on behalf of said Governing Body, and authorizes the execution by the Authorized Officers of the Governing Body of the 2006 Escrow Agreement, the 2007 Escrow Agreement and the 2009 Escrow Agreement in substantially the same form for and on behalf of said Governing Body.

SECTION 52. That the Governing Body hereby approves the appointment of the 2006 Escrow Agent, the 2007 Escrow Agent and the 2009 Escrow Agent under the terms and provisions of the 2006 Escrow Agreement, the 2007 Escrow Agreement and the 2009 Escrow Agreement, respectively.

SECTION 53. The Governing Body hereby authorizes the 2006 Escrow Agent, the 2007 Escrow Agent and the 2009 Escrow Agent to make the initial application with the Department of the Treasury, Bureau of Public Debt, Division of Special Investments, Parkersburg, West Virginia for SLGS, if such application is deemed necessary in connection with completing the Refunding 2006 Project, the Refunding 2007 Project and the Refunding 2009 Project, respectively. The Governing Body further authorizes the Mayor and/or Clerk to execute an Escrow Bidding Agent Agreement, as applicable, if such agreement is deemed necessary in connection with completing the Refunding Project.

SECTION 54. The Governing Body authorizes the preparation and submission of the final application for SLGS by the 2006 Escrow Agent, the 2007 Escrow Agent and the 2009 Escrow Agent, respectively, if such application is deemed necessary in connection with completing the Refunding 2006 Project, the Refunding 2007 Project and the Refunding 2009 Project.

SECTION 55. If in the opinion of the City and Bond Counsel, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Bonds, the Governing Body of the City hereby authorizes (a) Bond Counsel to prepare such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by Bond Counsel, and (b) Bond Counsel and/or the Underwriter for the Bonds to provide distribution of such supplement or amendment to the Preliminary Official Statement and/or Official Statement, as the case may be, in connection with the sale of the Bonds.

SECTION 56. That the City hereby certifies that it will be in compliance with

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the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") in connection with all applicable bond issues sold, issued and delivered by the City since July 1, 1995, subject to the Rule, prior to the sale of the Bonds.

SECTION 57. The Mayor and Clerk and any other Authorized Officer of the Governing Body are authorized to execute and deliver such resolutions, certificates and other documents as are required for the sale, issuance and delivery of the Bonds.

SECTION 58. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this Bond Resolution shall become effective upon the adoption hereof.

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

Alderman William Brooks	Voted: YES
Alderman Kristian Kelly	Voted: YES
Alderman Shirley Kite	Voted: YES
Alderman George Payne	Voted: YES
Alderman Joel Gallagher	Voted: YES
Alderman Scott Ferguson	Voted: YES
Alderman Raymond Flores	Voted: YES

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 this the 1st day of March, 2016.

EXHIBIT A

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF SOUTHAVEN

COMBINED WATER AND SEWER SYSTEM REVENUE REFUNDING BOND

SERIES 2016

EXHIBIT B

FORM OF PRELIMINARY OFFICIAL STATEMENT

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT D

FORM OF NOTICE OF REFUNDING/REDEMPTION FOR 2006 BANK BONDS

EXHIBIT E

FORM OF NOTICE OF REFUNDING/REDEMPTION FOR 2007 BONDS

EXHIBIT F

FORM OF NOTICE OF REFUNDING/REDEMPTION FOR 2009 BANK BONDS

EXHIBIT G

FORM OF 2006 ESCROW AGREEMENT

EXHIBIT H

FORM OF 2007 ESCROW AGREEMENT

EXHIBIT I

FORM OF 2009 ESCROW AGREEMENT

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STORMWATER PHASE II PROGRAM RENEWAL

Dan Cordell, City Consulting Engineer, presented this item to the Board.

Mr. Cordell stated this contract renewal will allow for the continuation of the implementation of the Phase 2 storm water program. Currently, all inspections are done in house and the administrative duties are shared between the City of Southaven and other entities in the County. This renewal contract is with Neel-Schaffer to continue for the next five (5) years. Neel Schaffer prorates fees based on overall population. The yearly fee by this contract will be \$16,100.00. There is a one-time fee this year for the program renewal because the permit for the state has changed that will be shared with other entities. The City's portion is 6,100.00. Alderman Flores made the motion to approve the contract renewal. Motion was seconded by Alderman Payne. Motion was put to vote and passed unanimously.

A copy of the agreement letter with Neel-Schaffer, scope of work and costs of summary is attached to these minutes.

RESOLUTION FOR SURPLUS PROPERTY FOR SPD

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF SOUTHAVEN, MISSISSIPPI DECLARING SURPLUS PROPERTY

WHEREAS, the City of Southaven Police Department is presently in possession of a 2006 Ford Crown Victoria, VIN# 2FAFP71W66X127935, Asset #2769 ("vehicle"); and

WHEREAS, it has been recommended to the Mayor and Board of Aldermen that the Property be declared as surplus and sold and/or disposed of as appropriate and in accordance with Mississippi Code 17-25-25 and removed from the fixed assets inventory; and

WHEREAS, the Mayor and Board of Aldermen are desirous of disposing of the vehicle and amending its fixed assets inventory pursuant to State guidelines; and

WHEREAS, the Mayor and Board of Aldermen hereby find that there is no value to the car as it was totaled and may be disposed of pursuant to Mississippi Code 17-25-25(5) and provided to the City's insurance carrier; and

NOW, THEREFORE, BE IT ORDERED by the Mayor and Board of Aldermen of the City of Southaven, Mississippi as follows, to wit:

1. The Property be hereby declared to be surplus property.

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2. The Southaven Police Chief, City Clerk, or their designee, be, and, if needed, is hereby authorized to take all actions to effectuate the intent of this Resolution.

Motion was made by Alderman Ferguson and seconded by Alderman Brooks, for the adoption of the above and foregoing Resolution, and the question being put to a roll call vote, the result was as follows:

Alderman William Brooks	Voted: YES
Alderman Kristian Kelly	Voted: YES
Alderman Shirley Kite	Voted: YES
Alderman George Payne	Voted: YES
Alderman Joel Gallagher	Voted: YES
Alderman Scott Ferguson	Voted: YES
Alderman Raymond Flores	Voted: YES

RESOLVED AND DONE, this 1st day of March, 2016.

SOLE SOURCE - ITEC DEPARTMENT

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF SOUTHAVEN, MISSISSIPPI AUTHORIZING SINGLE SOURCE ITEM PURCHASE

WHEREAS, the City of Southaven Information Technology Department ("City") has reviewed and examined security and e-mail archiving solutions needed to store City e-mail as more fully set forth in Exhibit A, which is needed for vital functions of the City; and

WHEREAS, based on the review of the security and e-mail archiving solutions needed as set forth in Exhibit A, the City hereby approves the single source purchase of said equipment from RP Pro, LLC pursuant to Mississippi Code 31-7-13(m)(viii); and

NOW, THEREFORE, BE IT ORDERED by the Board of Aldermen of the City, to wit:

1. Pursuant to Mississippi Code 31-7-13(m)(viii), the City Information Technology Department is authorized to purchase the items as set forth in Exhibit A on a single-source basis.
2. The Mayor, City Information Director or their designee(s) are authorized to take all actions to effectuate the intent of this Resolution.

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Following a reading of the foregoing resolution, Aldermen Brooks made the motion and Alderman Kelly seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

Alderman William Brooks	voted: YES
Alderman Kristian Kelly	voted: YES
Alderman Shirley Kite	voted: YES
Alderman George Payne	voted: YES
Alderman Joel Gallagher	voted: YES
Alderman Scott Ferguson	voted: YES
Alderman Raymond Flores	voted: YES

RESOLVED AND DONE, this 1st day of March, 2016.

A copy of the Sole Source letter is attached to these minutes.

RESOLUTION FOR LEASE DONATION OF THE SOUTHAVEN ARENA FOR AMERICAN CANCER SOCIETY RELAY FOR LIFE

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF SOUTHAVEN, MISSISSIPPI FOR LEASE DONATION OF SOUTHAVEN ARENA TO THE AMERICAN CANCER SOCIETY RELAY FOR LIFE ON MAY 13, 2016

WHEREAS, the City of Southaven ("City") pursuant to Mississippi Code Sections, 21-17-1(3)(b)(ii) and 21-19-65 desires to donate the City Arena to the American Cancer Society for its annual Relay for Life of Desoto County ("Relay") on May 13, 2016; and

WHEREAS, the City has control of the City Arena and has the authority under the City's Rental Policy and Mississippi Code to donate use of the Arena to the American Cancer Society for its Relay as it a 501(c)(3) non-profit entity as represented in its application to the City and it will use the Arena to host a relay race which will benefit the American Cancer Society and its mission; and

WHEREAS, the City finds that Relay's mission and purpose for this specific relay fundraiser at Snowden Grove is consistent with the mandates of Mississippi Code Section 21-17-1(3)(b)(ii) and 21-19-65 and allows Relay to utilize City Arena via an in-kind donation of the lease from the City; and

WHEREAS, the City finds that Relay will raise funds at the May 9, 2014 fundraiser that will match or exceed the in-kind donation of the City Arena provided by the City pursuant to Mississippi Code Section 21-19-65; and

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

SECTION 1. Pursuant to Mississippi Code 21-17-1(3)(b)(ii) and 21-19-65, the

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Governing Body of the City hereby donates the City Arena to the American Cancer Society for its Relay on May 13, 2016, which fundraiser will raise funds which exceed the in-kind donation of the City, and to assist the efforts of the fundraiser to benefit the American Cancer Society for the advancement of the moral interest of the City.

SECTION 2. On behalf of the City, the Mayor or his designee is directed to take all actions to effectuate this Resolution.

Following the reading of the foregoing resolution, Alderman Brooks made the motion to adopt the Resolution and Alderman Payne seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

Alderman William Brooks	Voted: YES
Alderman Kristian Kelly	Voted: YES
Alderman Shirley Kite	Voted: YES
Alderman George Payne	Voted: YES
Alderman Joel Gallagher	Voted: YES
Alderman Scott Ferguson	Voted: YES
Alderman Raymond Flores	Voted: YES

RESOLVED AND DONE, this 1st day of March, 2016.

RESOLUTION FOR SOUTHAVEN ROTARY DONATION

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF SOUTHAVEN, MISSISSIPPI FOR DONATION TO SOUTHAVEN ROTARY FOR FUNDRAISER ON MAY 6, 2016

WHEREAS, the City of Southaven ("City") pursuant to Mississippi Code Sections 17-3-1, 17-3-3, 21-19-65 desires to donate Five Hundred Dollars and 00/100 (\$500.00) to the Southaven Rotary ("Rotary") for the Rotary fundraiser on May 6, 2016; and

WHEREAS, the City finds that the Rotary is non-profit entity located in the City and the Rotary fundraiser will benefit local charities and student scholarships in the City; and

WHEREAS, the City finds that the Rotary's missions and purpose for this event is consistent with the mandates of Mississippi Code Section 21-19-65 and allows the City to donate \$500.00 to the Rotary; and

WHEREAS, the City finds that the Rotary will raise funds at the May 6, 2016 fundraiser that will match or exceed the in-kind donation of the Arena provided by the City pursuant to Mississippi Code Section 21-19-65; and

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

Section 1. Pursuant to Mississippi Codes 17-3-1, 17-3-3, and 21-19-65, the

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Governing Body of the City hereby donates \$500.00 to the Rotary for its May 6, 2016 to assist with the fundraiser, which fundraiser will raise funds which exceed the donation of the City, and to assist the efforts of the fundraiser to benefit local charities and student scholarships in the City for the advancement of the moral interest of the City.

Section 2. On behalf of the City, the Mayor or his designee is directed to take all actions to effectuate this Resolution.

Following the reading of the foregoing resolution, Alderman Payne made the motion to adopt the Resolution and Alderman Gallagher seconded the motion for its adoption. The Mayor put the question to a roll call vote and the result was as follows:

Alderman William Brooks	Voted: YES
Alderman Kristian Kelly	Voted: YES
Alderman Shirley Kite	Voted: YES
Alderman George Payne	Voted: YES
Alderman Joel Gallagher	Voted: YES
Alderman Scott Ferguson	Voted: YES
Alderman Raymond Flores	Voted: YES

RESOLVED AND DONE, this 1st day of March, 2016.

PLANNING AGENDA

Item #1 Application by Johnny Coleman for subdivision approval to revise lot 395 in Snowden Grove Subdivision, Area 14 Section "B"

Mrs. Choat-Cook stated that this applicant is requesting subdivision approval to revise Lot 395 in the Snowden Grove Subdivision, located in the retirement area of the overall PUD. The existing plot shows this lot with 0.11 acres with an area adjacent to the to the alleyway cut in for a parking pad / turn around. The applicant is requesting to remove the parking pad area and incorporate it into the lot which would increase the lot to 0.13 acres. Mrs. Choat-Cook stated that the requested revisions comply with the overall PUD requirements and recommended approval. Alderman Ferguson made the motion to approve the application. Motion was seconded by Alderman Kite.

Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

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Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried on the 1st day of March, 2016.

A copy of the staff report and final plat is attached to these minutes.

BID ACCEPTANCE FOR INTERSECTION MODERNIZATION AT AIRWAYS AND STATELINE ROAD

Mayor Musselwhite presented this item to the Board.

Mayor Musselwhite explained that this project is part of the revitalization efforts to modernize some of the older intersections in original Southaven. The City advertised for bids regarding improvements to the traffic signalization of Stateline Road and Airways Boulevard. Improvements included installation of black mast arms and poles and the required installation of ADA and MDOT approved handicap and pedestrian amenities. The Office of Planning and Development reviewed the submitted bids and recommended to award the job to Desoto Electric, Inc. with the lowest and best bid with a total estimated amount of \$190,614.58. Alderman Kelly made the motion to accept the bid from Desoto Electric, Inc. Motion was seconded by Alderman Brooks.

Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried on the 1st day of March, 2016.

A copy of the recommendation letter is attached to these minutes.

MAYOR'S REPORT

Mayor Musselwhite stated that the March 15, 2016 meeting will be moved to March 22, 2016 and proper notice will be posted.

Mayor Musselwhite encouraged citizens to adopt an area and participate in Spring Clean-up Day on April 2. A dumpster will be made available on April 29 at Greenbrook Park for all non-hazardous materials.

Mayor Musselwhite stated that the Desoto County Board of Supervisors requested that the City contribute toward the Desoto County Total Commitment to I69 in the amount of \$500.00. Alderman Payne made the motion to approve the contribution to assist with economic development. Motion was seconded by Alderman Ferguson.

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Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried on the 1st day of March, 2016.

A copy of the invoice from Desoto County is attached to these minutes.

Mayor Musselwhite announced that elevators were being installed at the Senior Center and completion should take place this week.

CITIZEN'S AGENDA

No Citizen's Agenda

PERSONNEL DOCKET

Personnel Docket

March 1, 2016

Payroll Additions	Position	Department	Start Date	Rate of Pay
Heather Hester	Deputy Clerk	Court	04/04/2016	\$13.00

Payroll Adjustments	Previous Classification	New Classification	Effective Date	Proposed Rate of Pay
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Employee Name	Department	Action Taken	Effective Date	With/Without Pay
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Payroll Deletions	Position	Department	Termination Date	Rate of Pay
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Terminations/Resignations	Name	Department	Position	Termination Date	Rate of Pay
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Bryan Brown	Fire	Lt.	02/20/2016	\$18.46
Stacie Graham	Fire	EMT/Paramedic	03/10/2016	\$17.51
Brandon Hodge	Fire	EMT/Paramedic	02/21/2016	\$17.51
Josh Smith	Dispatch	Dispatcher 2	02/25/2016	\$19.30

Name	Dept	Position	Start Date	Rate of Pay
Tate Waley	412	Concessions Supervisor	3/7/2016	\$8.00
Kayla Hester	412	Concessions Supervisor	3/7/2016	\$8.00
Peter Rhea Jr	412	Concessions Cook	3/7/2016	\$8.00
Sarah Eason	412	Concessions	3/7/2016	\$7.25
Summer Barton	412	Concessions	3/7/2016	\$7.25
Loren Cowart	412	Concessions	3/7/2016	\$7.25
Emily Schreck	412	Concessions	3/7/2016	\$7.25
Jessica Edwards	412	Concessions	3/7/2016	\$7.25
Imari Jones	412	Concessions	3/7/2016	\$7.25
Dianna Foucault	412	Concessions	3/7/2016	\$7.25
Anna Taylor	412	Concessions	3/7/2016	\$7.25
Lindsay Dickey	412	Concessions	3/7/2016	\$7.25
Madison Glenn	412	Concessions	3/7/2016	\$7.25
Austin George	412	Concessions	3/7/2016	\$7.25
Jasmine Lewis	412	Concessions	3/7/2016	\$7.25
Emily Rogers	412	Concessions	3/7/2016	\$7.25
Christian Whaley	412	Concessions	3/7/2016	\$7.25
Savannah Muse	412	Concessions	3/7/2016	\$7.25
Dillon Samples	412	Grounds	3/22/2016	\$7.25
Jackson Riden	412	Grounds	3/22/2016	\$7.25
Lee Apodaca	412	Grounds	3/22/2016	\$7.25
Ethan Chalk	412	Grounds	3/22/2016	\$7.25
Miller Gargis	412	Grounds	3/22/2016	\$7.25
Dylan Newell	412	Grounds	3/22/2016	\$7.25
Samuel Farris	412	Grounds	3/22/2016	\$7.25
Brittany McWhorter	412	Gift Shop	3/7/2016	\$7.25
Allayah Wright	412	Gates	3/7/2016	\$7.50
Molly Robertson	412	Gates	3/7/2016	\$7.50
Morgan Woodard	412	Gates	3/7/2016	\$7.50
Samantha Znaniecki	412	Gates	3/7/2016	\$7.50
Micah Lowe	412	Gates	3/7/2016	\$7.50
Chloie Murphy	412	Gates	3/7/2016	\$7.50
Emma Ponder	412	Gates	3/7/2016	\$7.50
Jacob Whaley	412	Gates	3/7/2016	\$7.50
Charles Miller	412	Cash Control	3/7/2016	\$10.00
Brandie Bridewater-Smart	412	Cash Control	3/7/2016	\$10.00

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Alderman Brooks made the motion to approve the Personnel Docket of March 1, 2016 as presented to this Board. Motion was seconded by Alderman Payne. The motion was put to vote and passed unanimously.

CITY ATTORNEY'S LEGAL UPDATE

REFUNDING OF ASSESMENTS

Mr. Manley stated that this request is to refund an assessment in the amount of \$334.00 that was placed on 350 Plum Point after the property was purchased. Alderman Gallagher made the motion to approve the refund of the assessment. Motion was seconded by Alderman Kelly.

Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried on the 1st day of March, 2016.

DEX IMAGING CONTRACT FOR THE COURT DEPARTMENT

Mr. Manley stated that this contract is for printer maintenance for the Court Department and requested authorization for Chris Shelton to sign. Alderman Ferguson made the motion to approve the agreement and allow Chris Shelton to sign. Motion was seconded by Alderman Kite.

Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried on the 1st day of March, 2016.

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RESOLUTION ADJUDICATING THE COST OF CLEANING PROPERTY, IMPOSING A PENALTY AND AUTHORIZING THE FILING OF LIEN

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF SOUTHAVEN, MISSISSIPPI ADJUDICATING THE COST OF CLEANING PROPERTY, IMPOSING A PENALTY AND AUTHORIZING THE FILING OF THE LIEN FOR THE SAME AGAINST PROPERTY

WHEREAS, the City of Southaven ("City") has the authority, pursuant to Section 21-19-11 of the Mississippi Code (1972) to clean up property within the City, under circumstances which create a menace to the public health and safety of the community, and

WHEREAS, the Mayor and Board of Aldermen conducted hearings regarding various properties, as set forth in Exhibit A, and determined that the conditions and circumstances of such properties created a menace to the public health and safety of the community, and ordered the clean-up of the properties, and

WHEREAS, pursuant to the authority granted to the City, the Mayor and Board of Aldermen contracted with an outside contractor who has undertaken and completed the clean-up of the properties, and

WHEREAS, the Mayor and Board of Aldermen have heard proof and find as a fact that the actual cost of the clean-up is as attached hereto as Exhibit A, and

WHEREAS, the Mayor and Board of Aldermen are desirous of imposing a penalty of Two Hundred Fifty Dollars and 00/100 (\$250.00) per property per cutting, and

WHEREAS, the Mayor and Board of Aldermen deem and resolve that the clean-up cost and penalty shall be collected as a lien against each property, to be collected and if not collected as a lien, to be converted to as tax assessment so that it may be collected by the Desoto County Tax Collector in the manner employed for the collection of all other taxes and assessments of the municipality, unless sooner collected through other means.

NOW, THEREFORE, BE IT ORDERED by the Mayor and Board of Aldermen of the City of Southaven, Mississippi as follows, to wit:

1. The actual cost of the clean-up of properties listed in Exhibit A be assessed to the property and the same is hereby determined to be as set forth in Exhibit A attached hereto.

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2. A penalty in the amount of \$250 per lot per cutting as listed above be, and the same is hereby imposed against each parcel in addition to the actual cost of the property clean-up.
3. The total amount, as set forth above, be, and the same is hereby assessed against each property, to be collected as a lien and if not collected as a lien, to be converted as a tax assessment so that it may be collected by the Desoto County Tax Collector in the manner employed for the collection of all other taxes and assessments of the municipality.

Following the reading of this Resolution, it was introduced by Alderman Kite and seconded by Alderman Brooks. The Resolution was then put to a roll call vote and the results were as follows, to-wit:

Alderman William Brooks	YES
Alderman Kristian Kelly	YES
Alderman Shirley Kite	YES
Alderman George Payne	YES
Alderman Joel Gallagher	YES
Alderman Scott Ferguson	YES
Alderman Raymond Flores	YES

RESOLVED AND DONE this 1st day of March, 2016.

A detailed listing of the condemned properties is attached to these minutes.

CLAIMS DOCKET

A motion was made by Alderman Payne to approve the Claims Docket of March 1, 2016, including demand checks and payroll in the amount of \$3,328,071.96. Motion was seconded by Alderman Flores.

Excluding voucher numbers:

255082, 255083, 255094, 255126, 255146, 255158, 255192, 255202, 255380, 255381, 255383, 255401, 255483, 255528, 255537, 255559, 255560, 255561, 255562, 255577, 255659, 255734, 255746

Roll call was as follows:

ALDERMAN	VOTED
Alderman Brooks	YES
Alderman Kelly	YES
Alderman Kite	YES
Alderman Payne	YES
Alderman Gallagher	YES
Alderman Ferguson	YES
Alderman Flores	YES

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Having received a majority of affirmative votes, Mayor Musselwhite declared that the motion was carried and approved for payment on the 1st day of March, 2016.

EXECUTIVE SESSION

A copy of the Executive Session Minutes are maintained in the City Clerk's Office.

There being no further business to come before the Board of Aldermen, a motion was made by Alderman Brooks to adjourn. Motion was seconded by Alderman Kelly. Motion was put to a vote and passed unanimously, March 1, 2016 at 7:15 p.m.

Darren Musselwhite,
Mayor

Andrea Mullen,
City Clerk
(Seal)