



**MEETING OF THE MAYOR AND BOARD OF ALDERMEN  
SOUTHAVEN, MISSISSIPPI  
CITY HALL  
SEPTEMBER 4, 2012  
6:00 p.m.  
AGENDA**

1. Call To Order
2. Invocation
3. Pledge Of Allegiance
4. Approval Of Minutes: August 21, 2012
5. Resolution Authorizing And Directing The Issuance Of General Obligation Water And Sewer Refunding Bonds
6. Resolution Adopting Additional Court Cost
7. Resolution To Clean Private Property
8. Resolution for Siemens
9. Fire Permit and Penalty Resolution Amendments
10. Adoption of Tax Levy
11. Adoption of 2012-2013 Budget
12. Adoption of Redistricting Wards
13. Planning Agenda: Item #1 Application to revise Rasco Hills Subdivision Section "E" on the south  
side of Stateline Road, east of Horn Lake Road  
Item #2 Application for a one lot subdivision on the northwest corner of Starlanding Road and Getwell Road in the Cherry Tree Planned Unit Development
14. Mayor's Report
15. Citizen's Agenda
16. Personnel Docket
17. Committee Reports
18. City Attorney's Legal Update
19. Old Business
20. Progress Reports
21. Claims Docket
22. Personnel & Litigation

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

## BOND PURCHASE AGREEMENT

\$ \_\_\_\_\_  
GENERAL OBLIGATION WATER AND SEWER  
REFUNDING BONDS  
SERIES 2012  
OF  
CITY OF SOUTHAVEN, MISSISSIPPI

\$ \_\_\_\_\_  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2012A  
OF  
CITY OF SOUTHAVEN, MISSISSIPPI

**DATED:** \_\_\_\_\_, 2012

Mayor and Board of Aldermen  
8710 Northwest Drive  
Southaven, Mississippi 38671

Ladies and Gentlemen:

The undersigned, Stephens Inc., Little Rock, Arkansas (the "Underwriter"), acting on his own behalf and not as agent or fiduciary for you, hereby offers to enter into this agreement with the City of Southaven, Mississippi (the "Issuer" or "City"), which, upon your acceptance of this offer, will be binding upon you and upon us.

This offer is made subject to your acceptance of this agreement on or before 5:00 o'clock p.m., Central Daylight Time on this date.

1. **Purchase Price.** Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned (a) \$\_\_\_\_\_,000 General Obligation Water and Sewer Refunding Bonds, Series 2012 of the Issuer (the "Series 2012 Bonds") and (b) \$\_\_\_\_\_ General Obligation Refunding Bonds, Series 2012A of the Issuer (the "Series 2012A Bonds" and together with the Series 2012 Bonds, the "Bonds") pursuant to a resolution adopted by the Mayor and Board of Aldermen of the City (the "Governing Authority") on September 4, 2012 (the "Bond Resolution") authorizing and approving the issuance and sale of the Bonds. The purchase price of the Bonds is set forth in **SCHEDULE I** hereto. Such purchase price shall be paid at the Closing (hereinafter defined) in accordance with paragraph 6 hereof. The Bonds are issued pursuant to Sections 31-27-1 et seq., Mississippi Code of 1972, as amended and other constitutional and statutory authority (the "Act"). The Bonds shall mature on the dates and shall bear interest at the fixed rates, all as described in **SCHEDULE II** attached hereto. A portion of the proceeds of the Series 2012 Bonds, together with Transferred Proceeds (as defined in the Bond Resolution) will be deposited directly with BancorpSouth Bank, Jackson, Mississippi, as 2003 Water and Sewer Paying Agent (the "2003 Water and Sewer Paying Agent") under the Bond Resolution and applied to the payment of principal of and premium, if any, and interest for a portion of the Issuer's outstanding \$4,500,000 Combined Water and Sewer System Revenue Bonds, Series 2003, dated December 1, 2003 (the "2003 Water and Sewer Bonds"), maturing in the years 2012 through 2023, both inclusive (the "Refunded Water and

Sewer Bonds"). A portion of the proceeds of the Series 2012A Bonds will be deposited directly with The Peoples Bank, Biloxi, Mississippi (the "Escrow Agent") pursuant to the Escrow Agreement, dated the date of delivery of the Bonds by and between the City and the Escrow Agent (the "Escrow Agreement") and applied to the payment of principal of and premium, if any, and interest for a portion of the Issuer's outstanding \$4,500,000 General Obligation Bonds, Series 2004, dated December 1, 2004 (the "2004 Bonds"), maturing in the years 2015 through 2024, both inclusive (the "Refunded 2004 Bonds" and together with the Refunded Water and Sewer Bonds, the "Refunded Bonds") as set forth in **SCHEDULE III** attached hereto and which are described in the Bond Resolution and the Preliminary Official Statement, as hereinafter defined.

2. **Public Offering.** The Underwriter intends to make an initial bona fide public offering of all of the Bonds at not in excess of the public offering prices set forth on **SCHEDULE II** attached hereto, and may subsequently change such offering price without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than such public offering prices. Not less than ten business days prior to the Closing, the Underwriter agrees to furnish to Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Bond Counsel, a certificate in a form acceptable to Bond Counsel (i) specifying the re-offering prices at which a substantial amount of the Bonds were sold to the public (excluding bond dealers, brokers and other intermediaries) and (ii) certifying the accuracy of such re-offering prices (if lower than those set out in **SCHEDULE II**). The Underwriter acknowledges that Bond Counsel will rely on such representations in making their determination that the Bonds are not "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986, as amended.

3. **Representative.** \_\_\_\_\_, \_\_\_\_\_, is duly authorized to execute this Bond Purchase Agreement on behalf of the Underwriter.

4. **Official Statement.** The Issuer shall deliver to the Underwriter at least one (1) copy of the Official Statement, dated the date hereof relating to the Bonds, executed on behalf of the Issuer by the duly authorized officers of the Governing Authority. The Issuer agrees to amend or supplement the Official Statement on or prior to the Closing whenever requested by the Underwriter when, in the reasonable judgment of the Underwriter and/or Bond Counsel to the Issuer, such amendment or supplementation is required.

You hereby ratify and approve the lawful use of the Preliminary Official Statement, dated \_\_\_\_\_, 2012, relating to the Bonds (the "Preliminary Official Statement") by the Underwriter prior to the date hereof, and authorize and approve the Official Statement and other pertinent documents referred to in Section 7 hereof to be lawfully used in connection with the offering and sale of the Bonds. The Issuer has previously provided the Underwriter with a copy of its Preliminary Official Statement. As of its date, the Preliminary Official Statement has been deemed final by the Issuer for purposes of SEC Rule 15c2-12(b)(1). The Issuer agrees to provide to the Underwriter within seven business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended.

5. **Representations of the Issuer.**

(a) The Issuer has duly authorized all necessary action to be taken by it for: (i) the sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; and (iii) the execution, delivery and receipt of this Bond Purchase Agreement and any and all such other agreements and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated hereby, by the Bonds, the Official Statement, and the Bond Resolution;

(b) The information relating to the Issuer contained in the Official Statement is and, as of the date of Closing, will be correct in all material respects and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements in such Official Statement, in light of the circumstances under which they were made, not misleading; provided that no representation is made concerning information furnished by Mississippi Department of Audit or the Underwriter;

(c) To the knowledge of the Issuer there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against or affecting the Issuer or the Governing Authority or threatened against or affecting the Issuer or the Governing Authority (or, to the knowledge of the Issuer, any basis therefor) contesting the due organization and valid existence of the Issuer or the Governing Authority or the validity of the Act or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement or the validity or due adoption of the Bond Resolution or the validity, due authorization and execution of the Bonds, this Bond Purchase Agreement or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in the consummation of the transaction contemplated hereby or by the Official Statement;

(d) The authorization, execution and delivery by the Issuer of the Official Statement, this Bond Purchase Agreement and the other documents contemplated hereby and by the Official Statement, and compliance by the Issuer with the provisions of such instruments, do not and will not conflict with or constitute on the part of the Issuer a breach of or a default under any provisions of the Constitution or laws of the State of Mississippi, or any existing law, court or administrative regulation, decree or order by which the Issuer or its properties are or, on the date of Closing will be, bound;

(e) All consents of and notices to or filings with governmental authorities necessary for the consummation by the Issuer of the transactions described in the Official Statement, the Bond Resolution and this Bond Purchase Agreement (other than such consents, notices and filings, if any, as may be required under the securities or blue sky laws of any federal or state jurisdiction) required to be obtained or made have been obtained or made or will be obtained or made prior to delivery of the Bonds;

(f) The Issuer agrees to cooperate with the Underwriter and their counsel in any endeavor to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may reasonably request, provided, however, that the Issuer shall not be required to register as a dealer or a broker in any such state or jurisdiction or qualify as a foreign corporation or file any general consents to service of process under the laws of any state. The Issuer consents to the lawful use of the Preliminary Official Statement and the Official Statement by the Underwriter in obtaining such qualifications; and

(g) The Issuer is an "obligated person" within the meaning of Rule 15c2-12(f)(b) and shall have duly authorized, executed and delivered a continuing disclosure agreement which complies with the provisions of Rule 15c2-12(b)(5) and which shall substantially set forth those provisions set forth in the Preliminary Official Statement.

6. **Delivery of, and Payment for, the Bonds.** At 10:00 o'clock a.m., Central Standard Time, on or about \_\_\_\_\_, 2012, or at such other time or date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will deliver, or cause to be delivered to the Underwriter, the Bonds, in definitive form duly executed and registered by The Peoples Bank in the City of Biloxi, Mississippi, as Paying Agent (the "Paying Agent"), for each separate maturity (whether serially or by term) of the Bonds in definitive typewritten form, duly executed, authenticated and issued in the name of "Cede & Co.," the nominee name of The Depository Trust Company (the "Securities Depository"), together with the other documents hereinafter mentioned and, if applicable, any other moneys required by the Bond Resolution to be provided by the Issuer to refund the Refunded Bonds and, subject to the conditions contained herein, the Underwriter will accept such delivery and pay the purchase price of the Bonds in Federal Funds, as applicable, (i) to the 2003 Water and Sewer Paying Agent to effectuate the refunding of the Refunded Water and Sewer Bonds; (ii) to the Escrow Agent to effectuate the refunding of the Refunded 2004 Bonds; and/or (iii) at the office of the depository of the Issuer, for the account of the Issuer. Delivery of the Bonds as aforesaid shall be made at the offices of the Underwriter in Little Rock, Arkansas, or such other place as may be agreed upon by the Underwriter and the Issuer. Such payment and delivery is herein called the "Closing". The Bonds will be delivered initially as fully registered Bonds, one Bond representing each maturity of the Bonds, and registered in such names as the Underwriter may request not less than three business days prior to the Closing or if no such instructions are received by the Paying Agent, in the name of the Underwriter.

7. **Certain Conditions to Underwriter's Obligations.** The obligations of the Underwriter hereunder shall be subject to the performance by the Issuer of its obligations to be performed hereunder, and to the following conditions:

(a) At the time of Closing, (i) the Bond Resolution shall have been adopted and shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, (ii) the Bonds shall have been validated by the Chancery Court of DeSoto County, Mississippi, (iii) the proceeds of the sale of the Bonds shall be applied as described in the Official Statement and the Bond Resolution, and (iv) there shall have been duly adopted and there shall be in

full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby; and

(b) At or prior to the Closing, the Underwriter shall have received each of the following:

(A) the approving opinion of Bond Counsel, dated the date of the Closing, relating to, among other things, the validity of the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes under the law existing on the date of the Closing, in a form satisfactory to the Underwriter;

(B) a supplemental opinion of Bond Counsel, dated the date of the Closing, addressed to the Issuer and the Underwriter in a form satisfactory to the Underwriter;

(C) certificates of the Issuer dated the date of the Closing, executed by authorized officers in form satisfactory to the Underwriter;

(D) the Official Statement executed on behalf of the Issuer by the duly authorized officers thereof;

(E) a specimen of the Bonds;

(F) certified copies of the Bond Resolution and all other resolutions of the Issuer and the Decree of Validation relating to the issuance and/or sale of the Bonds, as applicable;

(G) a certificate of a duly authorized officer of the Issuer, satisfactory to the Underwriter, dated the date of Closing, stating that such officer is charged, either alone or with others, with the responsibility for issuing the Bonds; setting forth, in the manner required by Bond Counsel, the reasonable expectations of the Issuer as of such date as to the use of proceeds of the Bonds and of any other funds of the Issuer expected to be used to pay principal or interest on the Bonds and the facts and estimates on which such expectations are based; and stating that, to the best of the knowledge and belief of the certifying officer, the Issuer's expectations are reasonable;

(H) a certificate of the Paying Agent, as to (a) its corporate capacity to act as such, (b) the incumbency and signatures of authorized officers, and (c) its due registration of the Bonds delivered at the Closing by an authorized officer;

(I) copy of the Blanket Issuer Letter of Representations of the Issuer;

(J) certificate of the financial advisor as to the 2% net present value savings pursuant to the Act;

(K) an executed continuing disclosure agreement as described in Paragraph 5(g); and

(L) other certificates of the Issuer listed on a Closing Memorandum, including any certificates or representations required in order for Bond Counsel to deliver the opinions referred to in Paragraphs 7(b) (A) and (B) of this Bond Purchase Agreement and such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel may reasonably request to evidence compliance by the Issuer with applicable legal requirements, the truth and accuracy, as of the time of Closing, of their respective representations contained herein, and the due performance or satisfaction by them at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by each.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter. The Issuer will furnish the Underwriter with such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents relating to the Bonds as the Underwriter may reasonably request.

8. **Conditions to Obligations of the Issuer.** The obligations of the Issuer hereunder to deliver the Bonds shall be subject to receipt of the opinions of Bond Counsel described in Sections 7(b)(A) and 7(b)(B) hereof.

(i) 9. **Termination.** The Underwriter shall have the right to cancel their obligation to purchase the Bonds if (i) between the date hereof and the Closing, legislation shall be enacted or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or the United States Tax Court shall be rendered, or a ruling, regulation or statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed to be made with respect to the federal taxation upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of adversely changing the federal income tax consequences of any of the transactions contemplated in connection herewith, and, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event which in the Underwriter's judgment either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall

have occurred any outbreak of hostilities or any national or international calamity or crisis including financial crisis, or a default with respect to the debt obligations of, or the institution of proceedings under federal or state bankruptcy laws by or against the Issuer, the effect of which on the financial markets of the United States being such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on any national securities exchange, or (v) a general banking moratorium shall have been declared by either federal, Mississippi, Arkansas or New York authorities, or (vi) there shall have occurred since the date of this Bond Purchase Agreement any material adverse change in the affairs of the Issuer, except for changes which the Official Statement discloses have occurred or may occur, or (vii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of Bond Counsel, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Bond Resolution, or any other document executed in connection with the transactions contemplated hereof to be qualified under the Trust Indenture Act of 1939, as amended, or (viii) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, or the offering of any other obligation which may be represented by the Bonds is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, (ix) any state blue sky or securities commission shall have withheld registration, exemption or clearance of the offering, and in the reasonable judgment of the Underwriter, the market for the Bonds is materially affected thereby, (x) an event shall have occurred, or information shall have become known, which, in the Purchaser's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in any offering material, as the information contained therein has been supplemented or amended by the information furnished to the Purchaser, or causes such offering material, as so supplemented or amended, to contain an untrue, incorrect or misleading statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, (xi) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Issuer's debt obligations that are secured in a like manner as the Bonds, which action reflects a change or possible change, in the ratings accorded any such obligations of the Issuer (including any rating to be accorded the Bonds), or (xii) there shall have occurred with respect to the Insurer any downgrade or published negative credit watch or outlook or published information from Moody's Investors Service, Inc., S&P or Fitch Ratings, which reflects a change or possible change, or does not indicate the direction of a change or possible change, with respect to the financial strength ratings accorded the Insurer.

If the Issuer shall be unable to satisfy any of the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement and such condition is not waived by the Underwriter, or if the obligations of the Underwriter to purchase and accept delivery of the

Bonds shall be terminated or canceled for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 12 hereof, shall continue in full force and effect.

10. **Additional Covenants.** The Issuer covenants and agrees with the Underwriter as follows:

(a) The Issuer shall furnish or cause to be furnished to the Underwriter as many copies of the Official Statement as the Underwriter may reasonably request (not to exceed 100 copies);

(b) Before revising, amending or supplementing the Official Statement, the Issuer shall furnish a copy of the revised Official Statement or such amendment or supplement to the Underwriter. If in the opinion of the Issuer, its Bond Counsel and the Underwriter, a supplement or amendment to the Official Statement is required, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter and Bond Counsel.

11. **Survival of Representations.** All representations and agreements of the Issuer and the Underwriter hereunder shall remain operative and in full force and effect, and shall survive the delivery of the Bonds and any termination of this Bond Purchase Agreement by the Underwriter pursuant to the terms hereof.

12. **Payment of Expenses.** If the Bonds are sold to the Underwriter by the Issuer, the Issuer shall pay, from the proceeds of the Bonds, any reasonable expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Preliminary Official Statement and the Official Statement; (ii) the cost of the preparation of the printed (or book-entry) Bonds; (iii) any rating agency fees; (iv) the cost of distribution of the Preliminary Official Statement and the Official Statement; (v) the fees and expenses of Bond Counsel, Issuer's Counsel, Underwriter's Counsel, State Bond Attorney fees, the Paying Agent, the Escrow Agent, the financial advisor and any other experts or consultants retained by the Issuer; (vi) the cost of any bond insurance fees; and (vii) the cost of any Federal Funds necessary to pay the purchase price of the Bonds.

The Underwriter shall pay (a) all advertising expenses in connection with the public offering of the Bonds and (b) all other expenses incurred by the Underwriter in connection with their public offering.

13. **Notices.** Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing at the address of the Issuer set forth above, and any notice or other communication to be given to the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to Stephens Inc., 111 Center Street, Little Rock, Arkansas 72201.

14. **Parties.** This Bond Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the either) and no other person shall acquire or have any right hereunder or by virtue hereof.

15. **Governing Law.** This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi.

[Remainder of page intentionally left blank.]

16. **General.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Bond Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Bond Purchase Agreement shall become effective upon your acceptance hereof.

Very truly yours,

**STEPHENS INC.  
LITTLE ROCK, ARKANSAS**

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

**Accepted and agreed to as of  
the date first above written:**

**THE CITY OF SOUTHAVEN, MISSISSIPPI**

**By: \_\_\_\_\_  
Mayor**

**ATTEST:**

**By: \_\_\_\_\_  
City Clerk**

**(SEAL)**

Signature page to Bond Purchase Agreement, between Stephens Inc., Little Rock, Arkansas and the City of Southaven, Mississippi.

**SCHEDULE I**  
**To Bond Purchase Agreement**  
**Dated: \_\_\_\_\_, 2012**

<b>PURCHASE PRICE (SERIES 2012 BONDS)</b>	
Par Amount of Series 2012 Bonds:	\$_____.00
Plus: Net Original Issue Premium	
Less: Underwriter's Discount	(.00)
<b>PURCHASE PRICE:</b>	<b>\$.00</b>

<b>PURCHASE PRICE (SERIES 2012A BONDS)</b>	
Par Amount of Series 2012A Bonds:	\$_____.00
Plus: Net Original Issue Premium	
Less: Underwriter's Discount	(.00)
<b>PURCHASE PRICE:</b>	<b>\$.00</b>

**SCHEDULE II**  
**To Bond Purchase Agreement**  
**Dated: \_\_\_\_\_, 2012**

**FOR THE SERIES 2012 BONDS:**

<b>MATURITY (DECEMBER 1)</b>	<b>PRINCIPAL AMOUNT DUE</b>	<b>INTEREST RATE</b>	<b>YIELD</b>	<b>REOFFERING PRICE</b>

The Series 2012 Bonds are \_\_\_ subject to redemption prior to their stated dates of maturity.

**FOR THE SERIES 2012A BONDS:**

<b>MATURITY (JANUARY 1)</b>	<b>PRINCIPAL AMOUNT DUE</b>	<b>INTEREST RATE</b>	<b>YIELD</b>	<b>REOFFERING PRICE</b>

The Series 2012A Bonds are \_\_\_ subject to redemption prior to their stated dates of maturity.

**SCHEDULE III**  
**to Bond Purchase Agreement**  
**Dated: \_\_\_\_\_, 2012**

**SCHEDULE OF REFUNDED WATER AND SEWER BONDS**

**\$4,500,000**  
**CITY OF SOUTHAVEN, MISSISSIPPI**  
**COMBINED WATER AND SEWER SYSTEMS REVENUE BONDS**  
**SERIES 2003**  
**DATED: DECEMBER 1, 2003**

\$ 200,000	at	3.50	due December 1, 2012
210,000	at	3.50	due December 1, 2013
220,000	at	3.60	due December 1, 2014
235,000	at	3.70	due December 1, 2015
245,000	at	3.80	due December 1, 2016
255,000	at	3.90	due December 1, 2017
270,000	at	4.00	due December 1, 2018
285,000	at	4.125	due December 1, 2019
295,000	at	4.125	due December 1, 2020
310,000	at	4.125	due December 1, 2021
330,000	at	4.125	due December 1, 2022
<u>345,000</u>	at	4.125	due December 1, 2023
\$3,200,000*			

\*This figure represents the outstanding 2003 Water and Sewer Bonds.

Interest payment dates are June 1 and December 1 of each year.

The outstanding 2003 Water and Sewer Bonds maturing on or after December 1, 2013 will be optionally redeemed on December 1, 2012, at par.

**SCHEDULE OF REFUNDED 2004 BONDS**

**\$4,500,000**

**CITY OF SOUTHAVEN, MISSISSIPPI**

**GENERAL OBLIGATION BONDS**

**DATED: DECEMBER 1, 2004**

\$ 220,000	at	3.60%	due December 1, 2015
235,000	at	3.70	due December 1, 2016
245,000	at	3.80	due December 1, 2017
255,000	at	3.90	due December 1, 2018
270,000	at	4.00	due December 1, 2019
280,000	at	4.00	due December 1, 2020
295,000	at	4.00	due December 1, 2021
305,000	at	4.00	due December 1, 2022
320,000	at	4.00	due December 1, 2023
<u>330,000</u>	at	4.00	due December 1, 2024
\$2,755,000			

\*This figure represents the outstanding 2003 Bonds.

Interest payment dates are June 1 and December 1 of each year.

The outstanding 2004 Bonds maturing on or after December 1, 2015 will be optionally redeemed on December 1, 2014, at par.

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2012**

**Standard & Poor's: "\_\_\_"  
(See "RATINGS" herein)**

**NEW ISSUE - BOOK ENTRY ONLY**

In the opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi ("Bond Counsel"), assuming continuing compliance by the City (as hereinafter defined) with the tax covenants and representations described herein, under existing law, interest on the Bonds is excludable from federal gross income pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not a specific item of tax preference under Section 57 of the Code for purposes of calculating alternative minimum tax; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is of the further opinion that interest on the Bonds is exempt from Mississippi State income taxation under existing laws. See "TAX MATTERS" herein.

**\$\_\_\_\_,000\***  
**GENERAL OBLIGATION WATER AND SEWER  
REFUNDING BONDS  
SERIES 2012  
OF  
CITY OF SOUTHAVEN, MISSISSIPPI**

**\$\_\_\_\_,000\***  
**GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2012A  
OF  
CITY OF SOUTHAVEN, MISSISSIPPI**

**Dated: Date of Delivery**

**Due: Series 2012 Bonds - December 1,  
Series 2012A Bonds - December 1,**

The Series 2012 Bonds are being issued for the purpose of current refunding certain outstanding maturities of the City's \$4,500,000 Combined Water and Sewer System Revenue Bonds, Series 2003, dated December 1, 2003 (the "2003 Water and Sewer Bonds"). The Series 2012A Bonds are being issued for the purpose of advanced refunding certain outstanding maturities of the City's \$4,500,000 General Obligation Bonds, Series 2004, dated December 1, 2004 (the "2004 Bonds"). Interest on the Series 2012 Bonds is payable from the date thereof, semiannually on June 1 and December 1 of each year (each an "Interest Payment Date for the Series 2012 Bonds"), commencing December 1, 2012. Interest on the Series 2012A Bonds is payable from the date thereof, semiannually on June 1 and December 1 of each year (each an "Interest Payment Date for the Series 2012A Bonds"), commencing December 1, 2012. Except as set forth herein, interest on the Bonds will be payable by check dated as of the Interest Payment Date for the Bonds and mailed by the Paying Agent to the Registered Owners. Principal of the Bonds is payable at the principal corporate trust office of The Peoples Bank, Biloxi, Mississippi, Paying Agent.

The Bonds are issuable as fully registered instruments and will be initially issued only in book-entry form, under a book-entry system (described herein) in which The Depository Trust Company (DTC) is the securities depository for the Bonds, to the nominee of DTC (Cede & CO.), with no physical delivery of Bond certificates to the purchasers thereof. Principal and interest payments on the Bonds will be paid to the DTC nominee, which will distribute such payments to the participating members of DTC for subsequent remittance to the owners of the beneficial interest in the Bonds. Such beneficial owners will be permitted to exercise the rights of holders of Bonds only indirectly through DTC and its participating members.

The Bonds are \_\_\_\_\_ subject to optional redemption prior to their stated dates of maturity.

The Bonds have been designated by the City as "qualified tax exempt obligations" for purposes of Section 265(b)(3)(C) and (G) of the Internal Revenue Code of 1986, as amended.

The Bonds will be issued under and in conformity with the Constitution and Laws of the State of Mississippi and pursuant to the Bond Resolution adopted by the Mayor and Board of Aldermen of the City of Southaven, Mississippi on September 4, 2012. The Series 2012 Bonds are secured by the full faith, credit and resources of the City and are payable from the proceeds of an unlimited, continuing, direct, annual ad valorem tax levied on taxable property within the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2012 Bond Fund of the Series 2012 Bonds, including the pledge of net revenues of the System (as hereinafter defined), to be applied toward the payment of the principal of and interest on the Series 2012 Bonds due during the ensuing fiscal year of the City, in accordance with the terms and provisions of the Bond Resolution. The Series 2012A Bonds are secured by the full faith, credit and resources of the City and are payable from the proceeds of an unlimited, continuing, direct, annual ad valorem tax levied on taxable property within the City.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter, named below, subject to the final approving opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the City by its counsel, Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi. Government Consultant's Inc., Jackson, Mississippi, serves as the Financial Advisor to the City in connection with the sale and issuance of the Bonds. It is expected that the Bonds will be available for delivery on or about \_\_\_\_\_, 2012.

**STEPHENS INC.**

The date of this Official Statement is \_\_\_\_\_, 2012.

\* Preliminary, subject to change.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**Series 2012 Maturity Schedule**

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2012	\$,000	_____%	_____%	2018	\$,000	_____%	_____%
2013	,000	_____	_____	2019	,000	_____	_____
2014	,000	_____	_____	2020	,000	_____	_____
2015	,000	_____	_____	2021	,000	_____	_____
2016	,000	_____	_____	2022	,000	_____	_____
2017	,000	_____	_____	2023	,000	_____	_____

**Series 2012A Maturity Schedule**

<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>Year of Maturity</u>	<u>Principal Amount*</u>	<u>Interest Rate</u>	<u>Price or Yield</u>
2013	\$ ,000	_____%	_____%	2019	\$,000	_____%	_____%
2014	,000	_____	_____	2020	,000	_____	_____
2015	,000	_____	_____	2021	,000	_____	_____
2016	,000	_____	_____	2022	,000	_____	_____
2017	,000	_____	_____	2023	,000	_____	_____
2018	,000	_____	_____	2024		_____	_____

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\*Preliminary, subject to change.

**NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATIONS WITH RESPECT TO THE BONDS OTHER THAN IS CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY OF THE BONDS IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION IN SUCH JURISDICTION. THE INFORMATION, ESTIMATES AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGES WITHOUT NOTICE, AND WHILE ALL INFORMATION HAS BEEN SECURED FROM SOURCES WHICH ARE BELIEVED TO BE RELIABLE, ALL PARTIES PREPARING AND DISTRIBUTING THE OFFICIAL STATEMENT MAKE NO GUARANTY OR WARRANTY RELATING THERETO. ALL OPINIONS, ESTIMATES OR ASSUMPTIONS, WHETHER OR NOT EXPRESSLY IDENTIFIED, ARE INTENDED AS SUCH AND NOT AS REPRESENTATIONS OF FACT. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT SHALL, NOR ANY SALE MADE HEREUNDER, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE DATE HEREOF.**

**INFORMATION HEREIN HAS BEEN OBTAINED FROM THE CITY, DTC, AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.**

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# THE CITY OF SOUTHAVEN, MISSISSIPPI

## **Mayor**

Charles G. Davis

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## **Board of Aldermen**

Lorine Cady  
Ronnie Hale  
George Payne  
William Brooks  
Ricky Jobes  
Dr. Randy Huling  
Greg Guy

---

## **City Clerk**

Sheila Heath

---

## **City Attorney**

Butler, Snow, O'Mara, Stevens & Cannada, PLLC  
Ridgeland, Mississippi

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## **Financial Advisor**

Government Consultants, Inc.  
Jackson, Mississippi

---

## **Bond Counsel**

Butler, Snow, O'Mara, Stevens & Cannada, PLLC  
Ridgeland, Mississippi

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## TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION .....	1
THE BONDS .....	1
Definitions .....	1
Purpose and Authorization.....	5
Security .....	5
Form of the Bonds .....	6
Redemption Provisions .....	7
Bond Fund.....	7
Sources and Uses of Funds .....	8
SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION .....	9
Ownership of the Bonds.....	9
Registration, Transfer and Exchange of the Bonds.....	9
Book-Entry Only System.....	10
Bond Resolution a Contract.....	13
PLAN OF REFUNDING .....	13
VERIFICATION OF MATHEMATICAL COMPUTATIONS .....	14
RATINGS .....	14
FINANCIAL ADVISOR .....	14
UNDERWRITING .....	15
TAX EXEMPTION .....	15
General.....	15
Certain Federal Tax Information .....	16
Changes in Federal and State Tax Laws .....	17
CONTINUING DISCLOSURE.....	18
Annual Reports .....	18
Material Event Notices .....	19
Availability of Information from NRMSIRs or the MSRB and SID .....	19
Limitations and Amendments .....	19
Compliance with Prior Undertaking .....	20
MISCELLANEOUS AND LEGAL INFORMATION.....	20
No Default on Securities .....	20
No Bond Proceeds for Current Operating Expenses.....	20
Legal Proceedings.....	20
Validation.....	20
Approval of Legal Proceedings .....	20
Miscellaneous .....	21

APPENDIX A - INFORMATION ON THE CITY

APPENDIX B - BUDGETS

APPENDIX C - AUDIT

APPENDIX D - SCHEDULE OF REFUNDED BONDS

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX F - FORM OF BOND COUNSEL OPINION

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## OFFICIAL STATEMENT

\$\_\_\_,000\*  
GENERAL OBLIGATION WATER AND SEWER  
REFUNDING BONDS  
SERIES 2012  
OF  
CITY OF SOUTHAVEN, MISSISSIPPI

\$\_\_\_,000\*  
GENERAL OBLIGATION REFUNDING BONDS  
SERIES 2012A  
OF  
CITY OF SOUTHAVEN, MISSISSIPPI

### INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the (a) \$\_\_\_,000\* General Obligation Water and Sewer Refunding Bonds, Series 2012, to be dated the date of delivery thereof (the "Series 2012 Bonds"), of the City of Southaven, Mississippi (the "City") and the (b) \$\_\_\_,000\* General Obligation Refunding Bonds, Series 2012A, to be dated the date of delivery thereof (the "Series 2012A Bonds" and together, with the Series 2012 Bonds, the "Bonds"), of the City. The City is a political subdivision incorporated under the laws of the State of Mississippi.

Reference is made to the Act as hereinafter defined, the Bond Resolution as hereinafter defined and any and all modifications and amendments thereof for a description of the authority of the City to issue the Bonds, the nature and extent of the security of, the principal of and interest on the Bonds and the terms and conditions under which the Bonds are issued.

### THE BONDS

#### Definitions

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., Mississippi Code of 1972, as amended.

"Bond" or "Bonds" shall mean together the Series 2012 Bonds and the Series 2012A Bonds of the City authorized and directed to be issued in the Bond Resolution.

"Bond Counsel" shall mean Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi.

"Bond Resolution" shall mean the Bond Resolution adopted by the Governing Body on September 4, 2012.

"Callable Bonds" shall mean together the Callable Water and Sewer Bonds and the Callable 2004 Bonds.

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\* Preliminary, subject to change.

"Callable Water and Sewer Bonds" shall mean the 2003 Water and Sewer Bonds maturing in the years 2013 through 2023, both inclusive.

"Callable 2004 Bonds" shall mean the 2004 Bonds maturing in the years 2015 through 2024, both inclusive.

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

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

"County" shall mean DeSoto County, Mississippi.

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

"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 Water and Sewer Bonds, and shall initially be The Peoples Bank, Biloxi, Mississippi.

"Escrow Agreement" shall mean that Escrow Agreement dated the date of delivery of the Series 2012A Bonds by and between the City and the Escrow Agent, providing for the refunding of the Refunded Water and Sewer Bonds.

"Escrow Fund" shall mean the Escrow Deposit Fund established pursuant to the Escrow Agreement to pay the principal of and interest on the Refunded Water and Sewer Bonds.

"Escrow Water and Sewer Fund" shall mean the Escrow Deposit Fund established pursuant to the Escrow Agreement to pay the principal of and interest on the Refunded Water and Sewer Bonds.

"Escrow Requirement" shall mean the sale proceeds of the Series 2012A Bonds deposited in the Escrow Fund and used to refund the Refunded Water and Sewer Bonds as provided in the Escrow Agreement.

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

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

"Mayor" shall mean the Mayor of the City.

"Paying Agent" shall mean any bank, trust company or other institution whether designated by the Bond Resolution or 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 as may be specified by the Bond Resolution or hereafter specified by the Governing Body and shall initially be The Peoples Bank, Biloxi, Mississippi.

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

"Project" shall mean the Series 2012 Project and the Series 2012A Project.

"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.

"Refunded Bonds" shall mean together, the Refunded Water and Sewer Bonds and the Refunded 2004 Bonds.

"Refunded Water and Sewer Bonds" shall mean the 2003 Water and Sewer Bonds which mature in the years 2012 through 2023, both inclusive.

"Refunded 2004 Bonds" shall mean the 2004 Bonds which mature in the years 2015 through 2024, both inclusive.

"Refunding Project" shall mean together the Series 2012 Refunding Project and the Series 2012A Refunding Project.

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

"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.

"Series 2012 Bonds" shall mean the \$\_\_\_\_,000 General Obligation Water and Sewer Refunding Bonds, Series 2012 of the City authorized and directed to be issued in this Bond Resolution.

"Series 2012A Bonds" shall mean the \$\_\_\_\_,000 General Obligation Refunding Bonds, Series 2012A of the City authorized and directed to be issued in this Bond Resolution.

"Series 2012 Project" shall mean providing funds for the Series 2012 Refunding Project and paying the costs of issuance of the Series 2012 Bonds.

"Series 2012A Project" shall mean providing funds for the Series 2012A Refunding Project and paying the costs of issuance of the Series 2012A Bonds.

"Series 2012 Refunding Project" shall mean providing funds which funds, together with certain Transferred Proceeds, will be sufficient for the advanced refunding of the Refunded Water and Sewer Bonds, including funds for the redemption price of the Callable Water and Sewer Bonds.

"Series 2012A Refunding Project" shall mean providing funds for the advanced refunding of the Refunded 2004 Bonds, including funds for the redemption price of the Callable 2004 Bond.

"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 Peoples Bank, Biloxi, Mississippi.

"Transferred Proceeds" shall mean the funds transferred from the 2003 Water and Sewer Debt Service Fund and the 2003 Water and Sewer Debt Service Reserve Fund for the 2003 Water and Sewer Bonds to the Escrow Agent to provide a portion of the funds to effectuate the refunding of the Refunded Water and Sewer Bonds.

"Underwriter" shall mean Stephens Inc., Little Rock, Arkansas.

"2003 Water and Sewer Bonds" shall mean the City's \$4,500,000 Combined Water and Sewer System Revenue Bonds, Series 2003, dated December 1, 2003.

"2003 Water and Sewer Bond Resolution" shall mean the Bond Resolution, adopted by the City, in connection with the 2003 Water and Sewer Bonds..

"2003 Water and Sewer Paying Agent" shall mean BancorpSouth Bank, Jackson, Mississippi.

"2004 Bonds" shall mean the City's \$4,500,000 General Obligation Bonds, Series 2004, dated December 1, 2004.

"2004 Bond Resolution" shall mean the Bond Resolution, adopted by the City, in connection with the 2004 Bonds.

"2004 Paying Agent" shall mean The Peoples Bank, Biloxi, Mississippi.

"2012 Bond Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012, 2012 Bond Fund provided for in Section 13 of the Bond Resolution.

"2012 Costs of Issuance Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012, 2012 Costs of Issuance Fund provided for in Section 14 of the Bond Resolution.

"2012A Bond Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, 2012A Bond Fund provided for in Section 13 of the Bond Resolution.

"2012A Costs of Issuance Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, 2012A Costs of Issuance Fund provided for in Section 14 of the Bond Resolution.

### **Purpose and Authorization**

(a) The Series 2012 Bonds are being issued to provide funds for the purpose of (a) current refunding the Refunded 2003 Water and Sewer Bonds, thereby reducing the debt service requirements of the City and resulting in an overall net present value savings of not less than two percent (2%) of the Refunded 2003 Water and Sewer Bonds; and (b) to pay the costs of issuing the Series 2012 Bonds. A schedule of the principal maturities of the Refunded 2003 Water and Sewer Bonds is contained in APPENDIX D.

(b) The Series 2012A Bonds are being issued to provide funds for the purpose of (a) refunding in advance of maturity the Refunded 2004 Bonds, thereby reducing the debt service requirements of the City and resulting in an overall net present value savings of not less than two percent (2%) of the Refunded 2004 Bonds; and (b) to pay the costs of issuing the Series 2012A Bonds. A schedule of the principal maturities of the Refunded 2004 Bonds is contained in APPENDIX D.

The Bonds will be issued pursuant to the provisions of the Act and the Bond Resolution.

### **Security**

The Series 2012 Bonds will be general obligations of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2012 Bond Fund of the Series 2012 Bonds, or has made other provisions for funds to be applied toward the payment of the principal of and interest on the Series 2012 Bonds due during the ensuing fiscal year of the City, including the pledge of the net revenues of the System to be applied toward the payment of the principal of and interest on the Series 2012 Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Series 2012 Bonds as the same falls due.

The Series 2012A Bonds will be general obligations of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to rate or amount upon the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable

property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Series 2012A Bonds as the same falls due.

The qualified electors of the State of Mississippi voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 (the "Constitution") to add the following new Section 172A (the "Amendment"):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation to pay the principal of and interest on the Bonds as they mature and become due, nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect Bondholders' remedies in the event of a payment default, it potentially prevents Bondholders from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the Bonds in a Court of the State of Mississippi. It is not certain whether the Amendment would affect the right of a Federal Court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the Bondholders in the event of a payment default with respect to the Bonds. For example, Bondholders can seek a writ of mandamus to compel the City to use any legally available moneys to pay the debt service on the Bonds, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to the Mississippi Constitution §175, all public officials who are guilty of willful neglect of duty may be removed from office.

Certain information relating to the City is set forth in "APPENDIX A - INFORMATION ON THE CITY" and certain financial information on the City is included in "APPENDIX B - BUDGETS" and in "APPENDIX C - AUDIT."

### **Form of the Bonds**

(a) The Series 2012 Bonds shall be dated the date of delivery, shall be delivered in the denomination of Five Thousand Dollars (\$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 be issued in fully registered form, and shall bear interest from the date thereof at the rate or rates specified herein on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing December 1, 2012.

(b) The Series 2012A Bonds shall be dated the date of delivery, shall be delivered in the denomination of Five Thousand Dollars (\$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 be issued in fully registered form, and shall bear interest from the date thereof at the rate or rates specified herein on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing December 1, 2012.

**Redemption Provisions**

(a) The Series 2012 Bonds are \_\_\_ subject to redemption prior to their stated dates of maturity.

(b) The Series 2012A Bonds are \_\_\_\_ subject to redemption prior to their stated dates of maturity.

**Bond Fund**

In the Bond Resolution the City establishes the 2012 Bond Fund for the Series 2012 Bonds and the Series 2012A Bond Fund for the Series 2012A Bonds, said funds to be maintained at a qualified depository of the City. Money deposited in the 2012 Bond Fund and the Series 2012A Bond Fund shall be used solely for the purpose of paying the interest on and principal of the Series 2012 Bonds and Series 2012A Bonds, respectively, when and as due.

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**Sources and Uses of Funds**

The following is a summary of the estimated sources and uses of proceeds of the Series 2012 Bonds and certain other funds:

Sources

Par Amount	\$
Reoffering Premium	
Transferred Proceeds <sup>1</sup>	
Total Sources	\$

Uses

2003 Water and Sewer Paying Agent for 2003 Water and Sewer Bonds	\$
Underwriter's Discount	
Costs of Issuance	
Total Uses	<u>\$</u>

The following is a summary of the estimated sources and uses of proceeds of the Series 2012A Bonds and certain other funds:

Sources

Par Amount	\$
Reoffering Premium	
Total Sources	\$

Uses

Escrow Agent for Refunded 2004 Bonds	\$
Underwriter's Discount	
Costs of Issuance	
Total Uses	<u>\$</u>

---

<sup>1</sup> Transferred proceeds include (a) transfers from the 2003 Water and Sewer Debt Service Fund in the amount of \$\_\_\_\_\_, and (b) transfers from the 2003 Water and Sewer Debt Service Reserve Fund in the amount of \$\_\_\_\_\_.

## **SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION**

The following is a summary of certain provisions of the Bond Resolution. This summary does not purport to be complete and is qualified in its entirety by reference to the complete document which is available from the Office of the City Clerk, City Hall, 8710 Northwest Drive, Southaven, Mississippi 38671 Telephone Number: (662) 280-2489.

### **Ownership of the Bonds**

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 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 for 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.

Except as provided in the Bond Resolution, the Person in whose name any Bond 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 Bond 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 provided in the Bond Resolution. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

### **Registration, Transfer and Exchange of the Bonds**

The Bond Resolution provides for the registration, transfer and exchange of the Bonds upon presentation and surrender at the principal corporate trust office of the Paying Agent. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed, or be accompanied by other evidence of transfer acceptable to the Paying Agent. No service charge shall be made to the registered owner for any registration, transfer, or exchange for a different denomination of Bonds, but the City or the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer or exchange of a Bond. The City shall not be obligated to issue, exchange or transfer any Bond during the fifteen (15) day period next preceding any interest payment date. For so long as a book-entry only system is used for determining beneficial ownership of the Bonds, such interest shall be payable to DTC or its nominee. Disbursement of such payments to the DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners of the Bonds is the responsibility of the DTC Participants or the Indirect Participants (see, "Book-Entry Only System", herein).

## **Book-Entry Only System**

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered Bond certificate for each separate maturity (whether serially or by term) will be issued for the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and

their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County or the Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County, or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the County and the Paying Agent. Under such

circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC as provided in the Bond Resolution.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County and the Underwriter believes to be reliable, but the County and the Underwriter take no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Bonds as nominee of DTC, references herein to the Holders, holders, or Registered Owners of the Bonds mean Cede & Co. and not the Beneficial Owners of the Bonds.

**THE COUNTY, THE PAYING AGENT AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.**

**NEITHER THE COUNTY, THE PAYING AGENT NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.**

## **Bond Resolution a Contract**

In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, the Bond Resolution shall constitute a contract between the City and the Registered Owners from time to time of the Bonds. The pledge made in the Bond Resolution and the covenants and agreements set forth in the Bond Resolution 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.

### **PLAN OF REFUNDING**

The Series 2012 Bonds are being issued, together with certain Transferred Proceeds, to currently refund the Refunded Water and Sewer Bonds and redeem the Callable Water and Sewer Bonds on December 1, 2012 at par. The refunding of the Refunded Water and Sewer Bonds will result in an overall net present value savings to maturity to the City of at least two percent (2%) of the Refunded Water and Sewer Bonds being refunded, as required by the Act. A portion of the proceeds of the Series 2012 Bonds will be remitted directly to the 2003 Water and Sewer Paying Agent to effectuate the refunding of the Refunded Water and Sewer Bonds and the redemption of the Callable Water and Sewer Bonds being refunded on December 1, 2012, at par.

The 2003 Water and Sewer Bonds were issued for the purpose of \_\_\_\_\_

The Series 2012A Bonds are being issued to finance the Escrow Requirement and the costs of issuance of the Series 2012A Bonds. The Escrow Requirement will be sufficient to advance refund the Refunded 2004 Bonds. Upon delivery of the Series 2012A Bonds, the City will enter into the Escrow Agreement to provide for the advanced refunding of the Refunded 2004 Bonds. The refunding of the Refunded 2004 Bonds will result in an overall net present value savings to maturity to the City of at least two percent (2%) of the Refunded 2004 Bonds being refunded, as required by the Act.

In the Escrow Agreement, the City creates the Escrow Fund which is to be held by the Escrow Agent and is to be applied solely for the payment of the principal of and interest on the Refunded 2004 Bonds.

Upon receipt of the proceeds of the Series 2012A Bonds, the City will cause the Escrow Requirement to be deposited with the Escrow Agent for further deposit to the Escrow Fund. Except for an initial cash deposit, the Escrow Agent shall invest such proceeds in United States Government Securities and/or United States Treasury Securities - State and Local Government Series (the "Escrow Securities"), maturing in amounts and bearing interest at rates sufficient (a) to pay, when due, the interest and principal accruing and due on the Refunded 2004 Bonds on December 1, 2012, through and including December 1, 2014, and (b) to pay the principal of the Callable 2004 Bonds being redeemed on December 1, 2014, representing the redemption price of par, plus a 2% call premium on such date (see "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein). The Escrow Fund, including the investment income thereon, is irrevocably pledged solely for the benefit of the holders of the Refunded 2004 Bonds. The

Escrow Agent will hold and administer the Escrow Fund and will apply the maturing principal of and interest on the Escrow Securities to payments of principal of and interest on the Refunded 2004 Bonds as and when such amounts become due.

The owners of the Refunded 2004 Bonds will be entitled to a preferred claim and first lien upon the applicable Escrow Securities, the proceeds thereof and all other assets of the Escrow Fund. The amounts received by the Escrow Agent will not be considered as a banking deposit by the City. The amounts received by the Escrow Agent under the Escrow Agreement will not be subject to warrants, drafts or checks drawn by the City, or except to the extent expressly provided in the Escrow Agreement, be a place of payment for the Refunded 2004 Bonds.

The 2004 Bonds were issued by the City for the purpose of providing funds for \_\_\_\_.

### **VERIFICATION OF MATHEMATICAL COMPUTATIONS**

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter, on behalf of City, relating to (a) computation of forecasted receipts of principal and interest on the Escrow Securities and the forecasted payments of principal and interest to redeem the Refunded Bonds, and (b) computation of the yields on the Bonds and the Escrow Securities was examined by The Arbitrage Group, Inc., certified public accountants (the "Verification Agent"). Such computations were based solely on assumptions and information supplied by the Underwriter, on behalf of the City. The Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information upon which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome.

### **RATINGS**

Standard & Poor's is expected to assign its municipal bond rating of "\_\_\_\_" to the Bonds. Such rating will reflect the views of said rating agency and is not a recommendation to buy, sell or hold the Bonds.

Standard & Poor's has assigned an underlying rating of "\_\_\_\_" to the Bonds.

### **FINANCIAL ADVISOR**

The City has retained the firm of Government Consultants, Inc., Jackson, Mississippi, as independent financial advisor (the "Financial Advisor") to the City in connection with the issuance of the Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the City with respect to the preparation of documents, the preparation for the sale of the Bonds and of the time of the sale, tax-exempt bond market conditions and other factors related to the sale of said Bonds.

Although the Financial Advisor performed an active role in drafting of the Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from City records

and from other sources which are believed to be reliable, including financial records of the City and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the City. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

## **UNDERWRITING**

The Series 2012 Bonds are being purchased for reoffering by Stephens Inc., Little Rock, Arkansas (the "Underwriter"), shown on the cover hereof at a purchase price of \$\_\_\_\_\_ (\$\_\_\_\_\_ par amount of Series 2012 Bonds, less \$\_\_\_\_\_ for an Underwriter's discount). The bond purchase agreement pursuant to which the Underwriter expects to purchase the Series 2012 Bonds provides that the Underwriter will purchase all the Series 2012 Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2012 Bonds is subject to various conditions stated in such bond purchase agreement.

The Series 2012A Bonds are being purchased for reoffering by the Underwriter shown on the cover hereof at a purchase price of \$\_\_\_\_\_ (\$\_\_\_\_\_ par amount of Series 2012A Bonds, less \$\_\_\_\_\_ for an Underwriter's discount). The bond purchase agreement pursuant to which the Underwriter expects to purchase the Series 2012A Bonds provides that the Underwriter will purchase all the Series 2012A Bonds if any are purchased. The obligation of the Underwriter to accept delivery of the Series 2012A Bonds is subject to various conditions stated in such bond purchase agreement.

The Underwriter may offer and sell the Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Underwriter.

## **TAX EXEMPTION**

### **General**

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements which must be met subsequent to delivery of the Bonds in order that the interest on the Bonds not be included in gross income of the registered owners for federal income tax purposes under Section 103 of the Code. The certificate as to non-arbitrage and other tax matters of the City, which will be delivered concurrently with the delivery of the Bonds, will contain provisions and procedures relating to compliance with such requirements of the Code. The City agrees, covenants and represents in the Bond Resolution that it will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners 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.

Except as expressly stated in the following two paragraphs of this section, Bond Counsel will express no opinion as to any federal or state consequences of the ownership of, receipt of interest on, or disposition of the Bonds.

In the opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, Bond Counsel, under existing law, interest on the Bonds is not included in gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code and interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax that may be imposed on individuals and corporations. Such interest, however, is includable in the "adjusted current earnings" of certain corporations for purposes of computing the alternative minimum tax (see "Certain Federal Tax Information - Alternative Minimum Tax"). In rendering the foregoing opinion, Bond Counsel has assumed the compliance by the City with the tax covenants and representations in the Bond Resolution and the representations in the certificate as to non-arbitrage and other tax matters. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds, the Series 2012 Refunding Project, the Series 2012A Refunding Project, the use of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Refunded Water and Sewer Bonds, the Refunded 2004 Bonds and the Refunded 2004 Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the City to comply with its covenants. Failure of the City to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue. For federal tax information, see "Certain Federal Tax Information" herein.

Under existing law, Bond Counsel is of the opinion that, interest on the Bonds is exempt from all present taxes imposed by the State of Mississippi and any county, municipality or other political subdivision of the State of Mississippi, except for inheritance, estate and transfer taxes.

### **Certain Federal Tax Information**

**General.** The following discussion of certain federal income tax matters is a summary of possible collateral tax consequences. It does not purport to deal with all aspects of federal taxation that may be relevant to particular registered owners. Further, the following discussion should not be construed as expressing an opinion of Bond Counsel as to any such matters, not specifically addressed in their opinion. **Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences in certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Bonds. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors regarding collateral federal income tax consequences.**

**Alternative Minimum Tax.** The Code imposes an alternative minimum tax with respect to individuals and corporations on alternative minimum taxable income. A twenty percent (20%) alternative corporate minimum tax is imposed on corporations (other than S corporations, regulated investment companies, real estate investment trusts or real estate mortgage investment conduits, as such terms are defined in the Code). Interest on the Bonds is not treated as a preference item in calculating alternative minimum taxable income. The Code provides, however, that the corporation's alternative minimum taxable income is increased by 75 percent of the excess (if any) of (i) the "adjusted current earnings" of a corporation over (ii) its alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss deduction). Interest on tax-exempt obligations, including the interest on the Bonds, would generally be included in computing a corporation's "adjusted current earnings." Accordingly, a portion of any interest on the Bonds received or accrued by a corporate registered owner will be included in computing such corporation's alternative minimum taxable income for such year.

**Financial Institutions.** Section 265(b)(1) of the Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax exempt obligations acquired after August 7, 1986 (other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code).

The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3)(c) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry "qualified tax-exempt obligations" is deductible.

### **Changes in Federal and State Tax Laws**

From time to time, there are legislative proposals introduced and regulatory actions proposed or announced at the federal or state level that, if enacted, could alter or amend directly or indirectly relevant federal and state tax matters, including, without limitation, those mentioned hereinabove or could adversely affect the market value of the Bonds. It cannot be predicted whether or when or in what form any such legislative or regulatory proposal might be enacted or implemented or whether if enacted or implemented it would apply to tax exempt obligations issued prior to enactment or implementation. In addition, from time to time litigation is threatened or commenced which, if concluded in a particular manner, could adversely affect relevant tax matters or the market value of the Bonds. It cannot be predicted how any particular litigation or judicial action will be resolved or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed legislation, regulatory initiatives or litigation.

## CONTINUING DISCLOSURE

In the Bond Resolution authorizing the Bonds, the City has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The City is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under this agreement, the City will be obligated to provide (i) certain updated financial information and operating data annually, and (ii) notice of specified events, as hereinafter set forth, in a timely manner not in excess of ten business days after the occurrence of such event, to the (i) (a) Municipal Securities Rulemaking Board (the "MSRB") through MSRB's Electronic Municipal Market Access system at [www.emma.msrb.org](http://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 applicable filing (the "Accompanying Information"), and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule (together (a) and (b) are the "National Repository"); and (ii) any public or private repository or entity designated by the State as a State repository for the purposes of the Rule (the "State Repository" and together with the National Repository, the "Repository"). As of the date of this Official Statement there is no State Repository. This information will be available free to securities brokers and others through EMMA.

### Annual Reports

The City will provide certain updated financial information and operating data annually to each Repository, together with any Accompanying Information. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION" and other financial information set forth in APPENDICES B and C. The City will update and provide this information within six months after the end of each fiscal year of the City ending in or after 2012.

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. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available. 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. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify each Repository, together with any Accompanying Information, of the change.

Anyone requesting information under the continuing disclosure requirements of Rule 15c-12, should contact the City Clerk, City Hall, 8710 Northwest Drive, Southaven, Mississippi 38671 Telephone Number: (662) 280-2489.

### **Material Event Notices**

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 the 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 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 continuing disclosure obligations.

### **Availability of Information from NRMSIRs or the MSRB and SID**

The City has agreed to provide the foregoing information to each Repository, together with any Accompanying Information. The information will be available free to holders of Bonds through EMMA.

As of the date of this Official Statement, the State of Mississippi has not designated a State Repository.

### **Limitations and Amendments**

The City has agreed to update information and to provide notices of specified events only as described above. 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 above. 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.

For a summary of the City's undertaking, see "APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT" attached hereto.

### **Compliance with Prior Undertaking**

The City is in compliance with all continuing disclosure agreements executed in connection with previously issued debt subject to SEC Rule 15c2-12.

## **MISCELLANEOUS AND LEGAL INFORMATION**

### **No Default on Securities**

No securities of the City have been in default as to principal or interest payments or in any other material respect at any time in at least the last 25 years. No principal or interest on any obligation of the City is past due.

### **No Bond Proceeds for Current Operating Expenses**

No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used for current operating expenses at any time in at least the last ten years.

### **Legal Proceedings**

There are no pending legal proceedings which might be expected to affect the City's ability to perform its obligations to the registered owners of the Bonds.

### **Validation**

The Bonds will be validated before the Chancery Court of DeSoto County, Mississippi as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

### **Approval of Legal Proceedings**

All legal matters in connection with the authorization and issuance of the Bonds are subject to the final approval of the legality thereof by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Bond Counsel. The form of the opinion of Bond Counsel is attached hereto as APPENDIX F and will be available in final form at the time of delivery of the Bonds. No representation is made to the registered owners of the Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Bonds except for the matters set forth in such opinion.

Certain legal matters will be passed upon for the City by its counsel, Deidra DeSoto Bassi, Esquire, Southaven, Mississippi.

### **Miscellaneous**

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the registered owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The Preliminary Official Statement, dated \_\_\_\_\_, 2012, will be "deemed final" as of such date by the City with permitted omissions, subject to change without notice and to completion or modification in a final Official Statement (the "Official Statement"). The City will make available to the Underwriter a reasonable number of Official Statements within seven (7) business days (excluding Saturdays, Sundays and national holidays) of the award of the Bonds. The Underwriter shall conform to the requirements of SEC Rule 15c2-12, including an obligation, if any, to update the Official Statement and shall bear all costs relating thereto. During the period from the delivery of the Official Statement to and including the date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as described below) the City shall notify the Underwriter if any event of which it has knowledge shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The Underwriter has agreed to file the Official Statement with a nationally recognized municipal securities information repository (a "Repository") at the earliest practicable date after the date of delivery of the Bonds. The end of the underwriting period shall mean the earlier of (a) the date of the closing unless the City has been notified in writing to the contrary by the representative of the Underwriter on or prior to such date, or (b) the date on which the "end of the underwriting period" for the Bonds has occurred under SEC Rule 15c2-12. The Underwriter has agreed to notify the City of the date which is the "end of the underwriting period" within the meaning of SEC Rule 15c2-12.

**THE CITY OF SOUTHAVEN, MISSISSIPPI**

/s/  
\_\_\_\_\_

**MAYOR**

/s/  
\_\_\_\_\_

**CITY CLERK**

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**APPENDIX A**  
**INFORMATION ON THE CITY**

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## **ECONOMIC AND DEMOGRAPHIC INFORMATION**

**APPENDIX B**

**BUDGETS**

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**ADOPTED BUDGET FOR FISCAL YEAR 2011-2012**

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**APPENDIX C**

**AUDIT**

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**FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2010**

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**APPENDIX D**  
**SCHEDULE OF REFUNDED BONDS**

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**SCHEDULE OF REFUNDED WATER AND SEWER BONDS**

**\$4,500,000**

**CITY OF SOUTHAVEN, MISSISSIPPI**

**COMBINED WATER AND SEWER SYSTEMS REVENUE BONDS**

**SERIES 2003**

**DATED: DECEMBER 1, 2003**

200,000	at	3.50	due December 1, 2012
210,000	at	3.50	due December 1, 2013
220,000	at	3.60	due December 1, 2014
235,000	at	3.70	due December 1, 2015
245,000	at	3.80	due December 1, 2016
255,000	at	3.90	due December 1, 2017
270,000	at	4.00	due December 1, 2018
285,000	at	4.125	due December 1, 2019
295,000	at	4.125	due December 1, 2020
310,000	at	4.125	due December 1, 2021
330,000	at	4.125	due December 1, 2022
<u>345,000</u>	at	4.125	due December 1, 2023
\$3,200,000*			

\*This figure represents the outstanding 2003 Water and Sewer Bonds.

Interest payment dates are June 1 and December 1 of each year.

The outstanding 2003 Water and Sewer Bonds maturing on or after December 1, 2013 will be optionally redeemed on December 1, 2012, at par.

**SCHEDULE OF REFUNDED 2004 BONDS**

**\$4,500,000**

**CITY OF SOUTHAVEN, MISSISSIPPI**

**GENERAL OBLIGATION BONDS**

**DATED: DECEMBER 1, 2004**

\$ 220,000	at	3.60%	due December 1, 2015
235,000	at	3.70	due December 1, 2016
245,000	at	3.80	due December 1, 2017
255,000	at	3.90	due December 1, 2018
270,000	at	4.00	due December 1, 2019
280,000	at	4.00	due December 1, 2020
295,000	at	4.00	due December 1, 2021
305,000	at	4.00	due December 1, 2022
320,000	at	4.00	due December 1, 2023
<u>330,000</u>	at	4.00	due December 1, 2024
\$2,755,000			

\*This figure represents the outstanding 2003 Bonds.

Interest payment dates are June 1 and December 1 of each year.

The outstanding 2004 Bonds maturing on or after December 1, 2015 will be optionally redeemed on December 1, 2014, at par.

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**APPENDIX E**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

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**CONTINUING DISCLOSURE AGREEMENT**

**BY THE CITY OF SOUTHAVEN, MISSISSIPPI**

**DATED AS OF \_\_\_\_\_, 2012**

**In Connection With the Issuance and Sale of (a) \$\_\_\_\_\_ City of Southaven, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2012, Dated \_\_\_\_\_, 2012 and (b) \$\_\_\_\_\_ City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, Dated \_\_\_\_\_, 2012**

**WHEREAS**, the City has heretofore authorized the issuance of (a) \$\_\_\_\_\_ in the aggregate principal amount of its General Obligation Water and Sewer Refunding Bonds, Series 2012 (the "Series 2012 Bonds"), to be dated \_\_\_\_\_, 2012 and (b) \$\_\_\_\_\_ in the aggregate principal amount of its General Obligation Refunding Bonds, Series 2012A (the "Series 2012A Bonds" and together with the Series 2012 Bonds, the "Bonds"), to be dated \_\_\_\_\_, 2012, all to mature in the principal amounts and on the dates set forth in the City's Official Statement, dated \_\_\_\_\_, 2012, describing the Bonds (the "Official Statement"); and

**WHEREAS**, the City sold the Bonds through a negotiated sale with Stephens Inc., Little Rock, Arkansas (the "Underwriter") pursuant to the Bond Purchase Agreement, dated \_\_\_\_\_, 2012 (the "BPA"); and

**WHEREAS**, in the Official Statement and the BPA the City has heretofore acknowledged that the Underwriter may not purchase or sell the Bonds unless it has reasonably determined that the City has undertaken in a written agreement for the benefit of the holders or beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), and the City desires to assist the Underwriter of the Bonds in complying with the Rule; and

**WHEREAS**, in order to assist the Underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Bonds and to be described in the Official Statement, all for the benefit of the holders and beneficial owners of the Bonds, as they may be from time to time.

**NOW, THEREFORE, THE CITY HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:**

**Section 1. Definitions.** In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Accompanying Information" means any identifying information or other information then required to accompany the applicable filing pursuant to the Rule.

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"EMMA" means MSRB's Electronic Municipal Market Access system on the MSRB Website.

"Listed Events" shall mean any events listed in Section 4 of this Continuing Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

"MSRB Website" shall mean [www.emma.msrb.org](http://www.emma.msrb.org).

"National Repository" means (a) MSRB's EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

"Repository" shall mean each National Repository and each State Repository.

"Required Electronic Format" means the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

"State" shall mean the State of Mississippi.

"State Repository" shall mean any public or private repository or entity designated by the State as a State repository for the purposes of the Rule. As of the date of this Continuing Disclosure Agreement, there is no State Repository.

## **Section 2. Annual Reports.**

- a. The City agrees to provide or cause to be provided to each Repository all annual financial information and operation data regarding the City, together with any Accompanying Information, commencing with information and data for the fiscal year ending September 30, 2012, as follows:
  - (i) Up-dated financial information and operating data of the type contained in the Official Statement as set forth in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION," and "DEBT INFORMATION;
  - (ii) Updated financial statements, which includes information on the City's general fund, capital project funds and special revenue funds, prepared in accordance with state law which utilizes the generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time, as set forth in APPENDIX C of the Official Statement; and
  - (iii) Updated budgeted or estimated revenues and expenditures of the City's general fund as set forth in APPENDIX B of the Official Statement.

If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available.

- b. The above-referenced information is expected to be provided by the filing of and cross reference to the City's comprehensive annual financial report, including audited financial statements, and the City's adopted budget. The information may be provided in whole or

in part by cross-reference to other documents provided to each Repository, including official statements of the City which will be available on MSRB's EMMA.

- c. Subject to the requirements of Section 8 hereof, the City reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the City agrees that any such modification will be done in a manner consistent with the Rule. The City also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Mississippi law applicable to counties.

**Section 3. Timing.** The above-referenced audited financial information is expected to be provided not more than 15 days after its filing with the State Department of Audit pursuant to the provisions of the Mississippi General Statutes, generally not later than six months after the end of each fiscal year. The information required to be filed in Section 2 will be filed not later than six months after the end of each fiscal year. The City currently operates on an October 1 - September 30 fiscal year basis.

**Section 4. Event Notice.**

- a. The City agrees to provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of the following events to each Repository, notice of the occurrence of such events with respect to the Bonds, together with any Accompanying Information:
  - (i) principal and interest payment delinquencies;
  - (ii) unscheduled draws on debt service reserves, reflecting financial difficulties;
  - (iii) unscheduled draws on credit enhancements, reflecting financial difficulties;
  - (iv) substitution of credit or liquidity providers for the Bonds, or their failure to perform;
  - (v) adverse tax opinions, IRS notices or events affecting the tax status of the Bonds;
  - (vi) defeasances;
  - (vii) rating changes;
  - (viii) tender offers; and
  - (ix) bankruptcy, insolvency, receivership or a similar proceeding of the obligated person.
  
- b. The City agrees to provide or cause to be provided in a timely manner not in excess of ten business days after the occurrence of an event to each Repository, notice of the occurrence of any of the following events with respect to the Bonds, if material, together with any Accompanying Information:
  - (i) non-payment related defaults;
  - (ii) modifications to rights of bond holders;

- (iii) bond calls or redemption;
- (iv) release, substitution, or sale of property securing repayment of the Bonds;
- (v) 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
- (vi) appointment of a successor or additional trustee, or the change in the name of a trustee.

**Section 5. Notice of Failure.** The City agrees to provide or cause to be provided, in a timely manner, to each Repository notice of any failure by the City to provide the annual financial information described in Section 2(a) of this Continuing Disclosure Agreement, together with any Accompanying Information.

**Section 6. Termination of Reporting Obligation.** The City's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

**Section 7. Agent.** The City may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

**Section 8. Amendment, Waiver.** Notwithstanding any other provision of this Continuing Disclosure Agreement, the City may amend this Continuing Disclosure Agreement and any provision of this Continuing Disclosure Agreement may be waived, only if (1) the amendment or waiver 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 or waiver does not materially impair the interests of the holders and beneficial owners of the Bonds. A copy of any amendment will be filed in a timely manner with each Repository, together with any Accompanying Information.

**Section 9. Additional Information.** Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communications, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the City shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

**Section 10. Indemnification.** The City agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses

(including attorneys fees) of defending against any claim of liability, but excluding liabilities due to any agent's negligence or misconduct. The obligations of the City under this Section shall survive resignation or removal of any agent and payment of the Bonds.

**Section 11. Enforceability.** The City agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit of the holders or beneficial owners of the Bonds and shall be enforceable by them; provided, that the right to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations hereunder. In the event of the City's failure to comply with any provision of this Continuing Disclosure Agreement any bondholder or beneficial owner may take such action as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Continuing Disclosure Agreement. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Continuing Disclosure Agreement constitute default of the City with respect to the Bonds.

**IN WITNESS WHEREOF**, the City has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officer, duly authorized, all as of the date first above written.

**CITY OF SOUTHAVEN, MISSISSIPPI**

**By:** \_\_\_\_\_  
**Mayor**

**ATTEST:**

\_\_\_\_\_  
**City Clerk**

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**APPENDIX F**

**FORM OF OPINION OF BOND COUNSEL**

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**[FORM OF OPINION OF BOND COUNSEL]**

Mayor and Board of Aldermen  
The City of Southaven, Mississippi

Dear Sirs:

We have acted as Bond Counsel for the City of Southaven, Mississippi (the "City"), in connection with the issuance of the authorized aggregate amount (a) \$\_\_\_\_,000 City of Southaven, Mississippi General Obligation Water and Sewer Refunding Bonds, Series 2012, dated \_\_\_\_, 2012 (the "Series 2012 Bonds") and (b) \$\_\_\_\_,000 City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, dated \_\_\_\_, 2012 (the "Series 2012A Bonds" and together with the Series 2012 Bonds, the "Bonds").

The Bonds bear interest, mature and may be transferred and exchanged as set out in the Bonds and in the resolution adopted by the Mayor and Board of Aldermen of the City on September 4, 2012, authorizing their issuance (the "Bond Resolution"). The Bonds are \_\_\_\_ subject to optional redemption prior to maturity. Capitalized terms not defined herein are to be defined as set forth in the Bond Resolution.

We have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the laws of the State of Mississippi, and with respect to the exemption of interest on the Bonds from federal and Mississippi income taxation. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the certified transcript of proceedings described in the following paragraph. We have relied on the authenticity, truthfulness and completeness set forth in such documents, instruments and certificates. We have not assumed any responsibility with respect to the financial condition or capabilities of the City or the disclosure thereof in connection with the sale of the Bonds.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings pertaining to the Bonds which contains copies of certain proceedings of the City, customary certificates of officers, agents and representatives of the City and other public officials and other matters relating to the authorization and issuance of the Bonds including a certification of the City prepared pursuant to Section 1.148-2(b)(2)(i) of the United States Treasury Regulations (the "Non-Arbitrage Certificate"). We have also examined Bond No. 1 of this issue.

Based on such examination, it is our opinion that:

1. The transcript of proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the laws of the State of Mississippi presently in effect, that the Bonds constitute valid and legally binding obligations of the City, that the Bonds are payable from and secured by an irrevocable pledge of the avails of a direct and continuing tax to be

levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City.

2. Under existing law, regulations and court decisions, as presently interpreted and construed, Bond Counsel is of the opinion, interest on the Bonds is exempt from all present income taxes imposed by the State of Mississippi and any county, municipality or other political subdivision of the State of Mississippi.

3. Interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Bonds is not treated as a specific item of tax preference under Section 57 of the Code in calculating the alternative minimum tax imposed by Section 55 of the Code. Such interest, however, is taken into account in determining "adjusted current earnings" of certain corporations for purposes of computing the alternative minimum tax.

The Mayor and the Board of Aldermen, acting for and on behalf of the City, has covenanted in the Bond Resolution that it will not make any use of the gross proceeds of the Bonds or amount that may be treated as proceeds of the Bonds or do or take or omit to take any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the registered owners 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. Failure of the City to comply with such covenants could result in the interest on the Bonds being subject to federal income tax from the date of issue.

In rendering the foregoing opinion, Bond Counsel has assumed the continuing compliance by the City with the tax covenants and representations in the Bond Resolution and the representations in the Non-Arbitrage Certificate. These requirements relate to, *inter alia*, the use and investment of the gross proceeds of the Bonds, the Refunding Project, the use of any facility, equipment or improvement financed directly or indirectly with the proceeds of the Refunded Bonds and rebate to the United States Treasury of specified arbitrage earnings, if any. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds have resulted in a failure of the City to comply with its covenants. Failure of the City to comply with such covenants could result in the interest on the Bonds becoming subject to federal income tax from the date of issue.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers including, without limitation, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or to carry the Bonds.

In particular, Section 265(b)(1) of the Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax exempt obligations acquired after August 7, 1986 (other than "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code). The City has designated the Bonds as "qualified tax-exempt obligations" pursuant to Section

265(b)(3)(C) of the Code. Eighty percent (80%) of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry "qualified tax-exempt obligations" is deductible.

Owners of the Bonds should consult their own tax advisors as to the applicability and effect on their federal income taxes of the alternative minimum tax, the environmental tax, the branch profits tax and the tax on passive investment income of corporations, as well as the applicability and effect of any other collateral federal income tax consequences.

It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar law affecting creditors' rights heretofore or hereafter enacted and that the enforcement thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings.

Very truly yours,

BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC

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The Mayor and Board of Aldermen of the City of Southaven, Mississippi (the "City"), took up for consideration the matter of adopting this resolution in connection with the issuance of not to exceed (a) \$3,400,000 General Obligation Water and Sewer Refunding Bonds, Series 2012 of the City and (b) \$3,200,000 General Obligation Refunding Bonds, Series 2012A of the City.

**RESOLUTION AUTHORIZING AND DIRECTING (I) THE ISSUANCE OF (A) GENERAL OBLIGATION WATER AND SEWER REFUNDING BONDS, SERIES 2012, OF THE CITY OF SOUTHAVEN, MISSISSIPPI (THE "CITY"), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000) (THE "SERIES 2012 BONDS") TO RAISE MONEY FOR THE PURPOSE OF CURRENT REFUNDING A CERTAIN OUTSTANDING AMOUNT OF THE CITY'S \$4,500,000 COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2003, DATED DECEMBER 1, 2003 (THE "2003 WATER AND SEWER BONDS"); AND (B) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A, OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000) (THE "SERIES 2012A BONDS" AND TOGETHER WITH THE SERIES 2012 BONDS, THE "BONDS") TO RAISE MONEY FOR THE PURPOSE OF ADVANCED REFUNDING A CERTAIN OUTSTANDING AMOUNT OF THE CITY'S \$4,500,000 GENERAL OBLIGATION BONDS, SERIES 2004, DATED DECEMBER 1, 2004 (THE "2004 BONDS"); (II) THE PAYMENT OF COSTS OF ISSUANCE OF THE BONDS; AND (III) FOR RELATED PURPOSES.**

**WHEREAS**, the Mayor and Board of Aldermen of the City, acting for and on behalf of said City, 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.

"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.

"Beneficial Owner" or "Beneficial Owners" 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 together, the Series 2012 Bonds and the Series 2012A Bonds.

"Bond Counsel" shall mean Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi.

"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.

"Bond Resolution" shall mean this resolution.

"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 2 herein.

"Callable Bonds" shall mean together the Callable Water and Sewer Bonds and the Callable 2004 Bonds.

"Callable Water and Sewer Bonds" shall mean the 2003 Water and Sewer Bonds maturing in the years 2013 through 2023, both inclusive.

"Callable 2004 Bonds" shall mean the 2004 Bonds maturing in the years 2015 through 2024, both inclusive.

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

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

"County" shall mean DeSoto County, Mississippi.

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

"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 Water and Sewer Bonds, and shall initially be The Peoples Bank, Biloxi, Mississippi.

"Escrow Agreement" shall mean that Escrow Agreement dated the date of delivery of the Series 2012A Bonds by and between the City and the Escrow Agent, providing for the refunding of the Refunded Water and Sewer Bonds.

"Escrow Fund" shall mean the Escrow Deposit Fund established pursuant to the Escrow Agreement to pay the principal of and interest on the Refunded Water and Sewer Bonds.

"Escrow Requirement" shall mean the sale proceeds of the Series 2012A Bonds deposited in the Escrow Fund and used to refund the Refunded Water and Sewer Bonds as provided in the Escrow Agreement.

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

"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 blanket issuer letter of representations from the City to DTC under the Book-Entry System.

"Mayor" shall mean the Mayor of the City.

"Paying Agent" shall mean any bank, trust company or other institution whether designated by the Bond Resolution or 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 as may be specified by the Bond Resolution or hereafter specified by the Governing Body and shall initially be The Peoples Bank, Biloxi, Mississippi.

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

"Project" shall mean the Series 2012 Project and the Series 2012A Project.

"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.

"Refunded Bonds" shall mean together, the Refunded Water and Sewer Bonds and the Refunded 2004 Bonds.

"Refunded Water and Sewer Bonds" shall mean the 2003 Water and Sewer Bonds which mature in the years 2012 through 2023, both inclusive.

“Refunded 2004 Bonds” shall mean the 2004 Bonds which mature in the years 2015 through 2024, both inclusive.

“Refunding Project” shall mean together the Series 2012 Refunding Project and the Series 2012A Refunding Project.

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

"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.

“Series 2012 Bonds” shall mean the not to exceed \$3,400,000 General Obligation Water and Sewer Refunding Bonds, Series 2012 of the City authorized and directed to be issued in this Bond Resolution.

“Series 2012A Bonds” shall mean the not to exceed \$3,200,000 General Obligation Refunding Bonds, Series 2012A of the City authorized and directed to be issued in this Bond Resolution.

“Series 2012 Project” shall mean providing funds for the Series 2012 Refunding Project and paying the costs of issuance of the Series 2012 Bonds.

“Series 2012A Project” shall mean providing funds for the Series 2012A Refunding Project and paying the costs of issuance of the Series 2012A Bonds.

"Series 2012 Refunding Project" shall mean providing funds which funds, together with certain Transferred Proceeds, will be sufficient for the current refunding of the Refunded Water and Sewer Bonds, including funds for the redemption price of the Callable Water and Sewer Bonds.

"Series 2012A Refunding Project" shall mean providing funds for the advanced refunding of the Refunded 2004 Bonds, including funds for the redemption price of the Callable 2004 Bonds.

“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 Peoples Bank, Biloxi, Mississippi.

"Transferred Proceeds" shall mean the funds transferred from the 2003 Water and Sewer Debt Service Fund and the 2003 Water and Sewer Debt Service Reserve Fund for the 2003 Water and Sewer Bonds to the 2003 Water and Sewer Paying Agent to provide a portion of the funds to effectuate the refunding of the Refunded Water and Sewer Bonds.

"Underwriter" shall mean Stephens Inc., Little Rock, Arkansas.

"2003 Water and Sewer Bonds" shall mean the City's \$4,500,000 Combined Water and Sewer System Revenue Bonds, Series 2003, dated December 1, 2003.

"2003 Water and Sewer Bond Resolution" shall mean the Bond Resolution, adopted by the City, in connection with the 2003 Water and Sewer Bonds..

"2003 Water and Sewer Paying Agent" shall mean BancorpSouth Bank, Jackson, Mississippi.

"2004 Bonds" shall mean the City's \$4,500,000 General Obligation Bonds, Series 2004, dated December 1, 2004.

"2004 Bond Resolution" shall mean the Bond Resolution, adopted by the City, in connection with the 2004 Bonds.

"2004 Paying Agent" shall mean The Peoples Bank, Biloxi, Mississippi.

"2012 Bond Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012, 2012 Bond Fund provided for in Section 13 hereof.

"2012 Costs of Issuance Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012, 2012 Costs of Issuance Fund provided for in Section 14 hereof.

"2012A Bond Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, 2012A Bond Fund provided for in Section 13 hereof.

"2012A Costs of Issuance Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, 2012A Costs of Issuance Fund provided for in Section 14 hereof.

(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 (a) Series 2012 Project is not to exceed Three Million Four Hundred Thousand Dollars (\$3,400,000) and (b) Series 2012A Project is not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000).

4. The Governing Body recognizes that the current low interest rate environment provides an opportunity to realize savings from the issuance of the 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.

5. 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 26 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.

6. The City recognizes that in order to prepare the necessary offering documents it is in the best interest of the City to employ and authorize Bond Counsel and Financial Advisor to prepare and distribute all necessary documents and resolutions 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. No fee will be due to Butler, Snow, O'Mara, Stevens & Cannada, PLLC or Government Consultants, Inc. unless the Governing Body approves the issuance of the Bonds.

7. It is necessary to approve the 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.

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

9. 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.

10. It is necessary to approve the Escrow Agent and the form and execution of the Escrow Agreement for the Refunded Bonds.

11. It is necessary to authorize the Mayor or Clerk of the City to provide a written notification to the 2003 Water and Sewer Paying Agent and the 2004 Paying Agent of the current refunding of the Refunded Water and Sewer Bonds and the advanced refunding of the Refunded 2004 Bonds.

12. 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.** 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 2.** (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 2. 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 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 Section 8 hereof.

(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.

(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 3.** (a) The Series 2012 Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Three Million Four Hundred Thousand Dollars (\$3,400,000) to raise money for the Series 2012 Project as authorized by the Act.

(b) The Series 2012A Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000) to raise money for the Series 2012A Project as authorized by the Act.

**SECTION 4.** (a) 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.

(b) The Series 2012 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 by further order of the Governing Body, payable on June 1 and December 1 of each year (each an "Interest Payment Date") until maturity, such interest rate to be in compliance with the Act, commencing December 1, 2012, unless otherwise specified in the Bond Purchase Agreement; and shall mature and become due and payable on December 1 in the years and in the amounts as determined in the Bond Purchase Agreement, with the final maturity occurring not later than December 1, 2023 and with such completions, changes, insertions and modifications to the Bond Purchase Agreement 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).

(c) The Series 2012 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 (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

(d) The Series 2012A 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 by further order of the Governing Body, payable on June 1 and December 1 of each year (each an "Interest Payment Date") until maturity, such interest rate to be in compliance with the Act, commencing December 1, 2012 unless otherwise specified in the Bond Purchase Agreement; and shall mature and become due and payable on December 1 in the years and in the amounts as determined in the Bond Purchase Agreement, with the final maturity occurring not later than December 1, 2024 and with such completions, changes, insertions and modifications to the Bond Purchase Agreement 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)

(e) The Series 2012A 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 (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

(f) 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.

(g) 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 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 5.** (a) When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the City in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse side of each of the Bonds, over her manual or facsimile signature and manual or facsimile seal, her certificate in substantially the form set out in **EXHIBIT A** and **EXHIBIT B**, respectively.

(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 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 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 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 6.** (a) The City hereby appoints the Paying and Transfer Agent for the Bonds. 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 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 7(d)(iv) hereof.

**SECTION 7.** The Bonds shall be in substantially the form attached hereto as **EXHIBIT A** and **EXHIBIT B** 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 substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or Transfer Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of

his ownership thereof, and furnishing the City or Transfer Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote. The provision of this Section 8 shall not apply if the Book-Entry System is in effect.

**SECTION 9.** (a) For the purpose of effectuating and providing for the payment of the principal of and interest on the Series 2012 Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Series 2012 Bonds; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2012 Bond Fund of the Series 2012 Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Series 2012 Bonds due during the ensuing fiscal year of the City, including the pledge of the net revenues of the System to be applied toward the payment of the principal of and interest on the Series 2012 Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. When necessary, said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Series 2012 Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Series 2012 Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Series 2012 Bonds, both as to principal and interest.

(b) For the purpose of effectuating and providing for the payment of the principal of and interest on the Series 2012A Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Series 2012A Bonds, in accordance with the provisions of the Bond Resolution. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Series 2012A Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Series 2012A Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Series 2012A Bonds, both as to principal and interest.

**SECTION 10.** 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 Transfer Agent, shall be entitled to the rights, benefits and security of this Bond Resolution.

No 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 Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer 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 11.** (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 for 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 Transfer 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 Bond shall be registered in the records of the City maintained by the Transfer 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 Bond 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 such Bond to the extent of the sum or sums so paid.

**SECTION 12.** (a) Each Bond shall be transferable only in the records of the City, upon surrender thereof at the office of the Transfer Agent, together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the City, acting through its Transfer Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

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

**SECTION 13.** (a) The City hereby establishes the 2012 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Series 2012 Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2012 Bond Fund as and when received:

- (i) The accrued interest, if any, received upon delivery of the Series 2012 Bonds;
- (ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;

(iii) Any income received from investment of monies in the 2012 Bond Fund;  
and

(iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Series 2012 Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2012 Bond Fund.

(b) As long as any principal of and interest on the Series 2012 Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2012 Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

(c) The City hereby establishes the 2012A Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Series 2012A Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2012A Bond Fund as and when received:

(i) The accrued interest, if any, received upon delivery of the Series 2012A Bonds;

(ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;

(iii) Any income received from investment of monies in the 2012A Bond Fund; and

(iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Series 2012A Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2012A Bond Fund.

(d) As long as any principal of and interest on the Series 2012A Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2012A Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

**SECTION 14.** (a) The City hereby establishes the 2012 Costs of Issuance Fund which shall be held by the Paying Agent pursuant to this resolution. A certain portion of the proceeds received upon the sale of the Series 2012 Bonds shall be deposited in the 2012 Costs of Issuance Fund. Any income received from investment of monies in the 2012 Costs of Issuance Fund shall be deposited in the 2012 Costs of Issuance Fund. Funds in the 2012 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 and delivery of the Series 2012 Bonds. Any amounts which remain in the 2012 Costs of Issuance Fund after the payment of the costs of issuance for the Series 2012 Bonds shall be transferred by the Paying Agent to the City for deposit in the 2012 Bond Fund and used as permitted under State law.

(b) The City hereby establishes the 2012A Costs of Issuance Fund which shall be held by the Escrow Agent under the Escrow Agreement. A certain portion of the proceeds received upon the sale of the Series 2012A Bonds shall be deposited in the 2012A Costs of Issuance Fund. Any income received from investment of monies in the 2012 Costs of Issuance Fund shall be deposited in the 2012A Costs of Issuance Fund. Funds in the 2012A 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 and delivery of the Series 2012A Bonds. Any amounts which remain in the 2012A Costs of Issuance Fund after the payment of the costs of issuance for the Series 2012A Bonds shall be transferred by the Escrow Agent to the City for deposit in the 2012A Bond Fund and used as permitted under State law

**SECTION 15.** Upon delivery of the Series 2012 Bonds and the Series 2012A Bonds, the City will remit or will direct the remittance of (a) a certain portion of the proceeds received upon the sale of the Series 2012 Bonds, together with Transferred Proceeds, directly to the 2003 Water and Sewer Paying Agent, which amount, will be sufficient to effectuate the current refunding of the Refunded Water and Sewer Bonds and the redemption price of the Callable Water and Sewer Bonds pursuant to the terms of the 2003 Bond Resolution; and (b) a certain portion of the proceeds received upon the sale of the Series 2012A Bonds, directly to the Escrow Agent under the Escrow Agreement for deposit in the Escrow Fund, which amount, together with investment income thereon, will be sufficient to effectuate the advanced refunding of the Refunded 2004 Bonds and the redemption price of the Callable 2004 Bonds, pursuant to the terms of the Escrow Agreement.

**SECTION 16.** (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who 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 Transfer Agent. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date to be effective as of such date.

**SECTION 17.** The Bonds may be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end, if requested, the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State's bond attorney for the institution of validation proceedings.

**SECTION 18.** 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 19.** The City hereby covenants 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 Refunded 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 Refunded 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 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 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 Bonds and 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;

(g) it shall make, or cause to be made, the rebate required by Section 148(f) of the Code in the manner described in Regulation § 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1, 1.150-2, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds.

**SECTION 20.** The City hereby designates the Bonds as "qualified tax-exempt obligation" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that:

(a) the City reasonably anticipates that the amount of tax-exempt obligations to be issued by it during the period from January 1, 2012 to December 31, 2012, and the amount of obligation designated as "qualified tax-exempt obligation" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds; and

(b) for purposes of this Section 20, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the City: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

**SECTION 21.** 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](http://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 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 of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION" and other financial information set forth in APPENDICES B and C of the Official Statement. The City will update and provide this information within six months after the end of each fiscal year of the City ending in or after 2012.

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. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available. 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. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. 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, 8710 Northwest Drive, Southaven, Mississippi 38671 Telephone Number: (662) 280-2489.

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 additional Paying Agent, or the change in the name of the Paying Agent. 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 22.** (a) The Paying Agent is hereby authorized to pay costs of issuance expenses on the closing date for the Series 2012 Bonds from the proceeds of the Series 2012 Bonds deposited with the Paying Agent pursuant to this resolution for the costs of issuance of said Series 2012 Bonds; provided, however, total costs of issuance for said Series 2012 Bonds shall not exceed 4% of the par amount of the Series 2012 Bonds (excluding Underwriter's discount and bond insurance premium, if any). The Mayor or Clerk or any other Authorized Officer are authorized to sign requisitions for the payment of costs of issuance for the Series 2012 Bonds; and (b) the Escrow Agent is hereby authorized to pay costs of issuance expenses on the closing date for the Series 2012A Bonds from the proceeds of the Series 2012A Bonds deposited with the Escrow Agent under the Escrow Agreement for the costs of issuance of said Series 2012A Bonds; provided, however, total costs of issuance for said Bonds shall not exceed 4% of the par amount of the Series 2012A Bonds (excluding Underwriter's discount and bond insurance premium, if any). The Mayor or Clerk or any other Authorized Officer are authorized to sign requisitions for the payment of costs of issuance for the Series 2012A Bonds.

**SECTION 23.** 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 C**. 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 24.** That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

**SECTION 25.** That the Governing Body hereby authorizes the Mayor and Clerk to execute the Certificate of the City of Southaven, Mississippi, attached hereto as **EXHIBIT D**, in connection with the disclosure requirements regarding the distribution of the above referenced Preliminary Official Statement to prospective purchasers of the Bonds.

**SECTION 26.** That the Governing Body of the City hereby employs Bond Counsel and Financial Advisor and authorizes the negotiation of the sale of the Bonds to the Underwriter and authorizes the execution by the Mayor and Clerk of the City of the Bond Purchase Agreement in substantially the same form attached hereto as **EXHIBIT E** 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), based on the recommendation of Bond Counsel and Financial Advisor and provided that the following parameters are met: (1) the par amount of the Series 2012 Bonds will not exceed \$3,400,000; (2) the par amount of the Series 2012A Bonds will not exceed \$3,200,000; (3) the net interest cost of not more than eleven percent (11%) of the Series 2012 Bonds; (4) the net interest cost of not more than eleven percent (11%) of the Series 2012A Bonds; (5) the Series 2012 Bonds will mature no later than December 1, 2023; (6) the Series 2012 Bonds will mature no later than December 1, 2024; and (4) terms and provisions of the Bonds in compliance with the Act.

**SECTION 27.** 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 28.** Each of the following constitutes an event of default under this Bond Resolution:

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

(b) 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 thirty (30) 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

(c) an Act of Bankruptcy occurs.

**SECTION 29.** 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 30.** This resolution shall serve as notice to the 2003 Water and Sewer Paying Agent and the 2004 Paying Agent of the City's desire to provide for the Series 2012 Refunding Project and the Series 2012A Refunding Project, as applicable.

**SECTION 31.** The form of and the execution by the Mayor or Clerk of the 2003 Water and Sewer Bonds Notice of Refunding/Redemption and the 2004 Notice of Refunding/Redemption, attached hereto as **EXHIBIT F** and **EXHIBIT G** is hereby approved.

**SECTION 32.** That the Governing Body hereby approves the form of the Escrow Agreement attached hereto as **EXHIBIT H** for and on behalf of said Governing Body and authorizes the execution by the Governing Body of the Escrow Agreement in substantially the same form for and on behalf of said Governing Body.

**SECTION 33.** That the Governing Body hereby approves the appointment of the Escrow Agent under the terms and provisions of the Escrow Agreement.

**SECTION 34.** The Governing Body hereby authorizes the Escrow Agent and/or Bond Counsel in making the initial application with the Department of the Treasury, Bureau of Public Debt, Division of Special Investments, Parkersburg, West Virginia for United States Treasury Securities - State and Local Government Series (the "SLGS"), if such application is deemed necessary in connection with completing the Project.

**SECTION 35.** The Governing Body authorizes the preparation and submission of the final application for SLGS by the Escrow Agent, if such application is deemed necessary in connection with completing the Project.

**SECTION 36.** 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, upon advice from the Financial Advisor, 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 37.** If the Escrow Agreement is not deemed necessary due to certain market conditions at the point in time when the Bonds are subject to pricing, the Governing Body hereby approves (b) the remittance of a certain portion of the proceeds received upon the sale of the Series 2012A Bonds directly to the 2004 Paying Agent to effectuate the advanced refunding of the Refunded 2004 Bonds; and (c) the remittance of a portion of the proceeds received upon the sale of the Series 2012A Bonds to the Paying Agent to pay costs of issuance, including costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale validation and delivery of the Bonds and authorizes the Paying Agent to pay costs of issuance expenses on the closing date; provided, however costs of issuance for said Bonds shall not exceed 4% of the par amount of the Bonds (excluding Underwriter's discount and bond insurance premium, if any).

**SECTION 38.** 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.

Motion was made by Alderman \_\_\_\_\_ and seconded by Alderman \_\_\_\_\_, 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 Greg Guy	voted: _____
Alderman Lorine Cady	voted: _____
Alderman Ronnie Hale	voted: _____
Alderman George Payne	voted: _____
Alderman William Brooks	voted: _____
Alderman Ricky Jobs	voted: _____
Alderman Dr. Randy Huling	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this the 4th day of September, 2012.

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**MAYOR**

**ATTEST:**

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**CITY CLERK**

**(SEAL)**

**EXHIBIT A**

**[BOND FORM]**

**UNITED STATES OF AMERICA**

**STATE OF MISSISSIPPI**

**CITY OF SOUTHAVEN**

**GENERAL OBLIGATION WATER AND SEWER REFUNDING BOND,**

**SERIES 2012**

NO. R-\_\_\_\_ \$\_\_\_\_\_

**Rate of Interest**                      **Maturity**                      **Date of Original Issue**                      **CUSIP**

\_\_\_\_\_ %                      \_\_\_\_\_                      \_\_\_\_\_, 2012                      \_\_\_\_\_

**Registered Owner: Cede & Co.**

**Principal Amount: \_\_\_\_\_ DOLLARS**

The City of Southaven, State of Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of The Peoples Bank, Biloxi, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Water and Sewer Refunding Bonds, Series 2012, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by The Peoples Bank, Biloxi, Mississippi, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above, on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing December 1, 2012, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent

not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of not to exceed \_\_\_\_\_ Dollars (\$\_\_\_\_,000) to raise money for the purpose of current refunding a certain outstanding amount of the City's \$4,500,000 Combined Water and Sewer System Revenue Bonds, Series 2003, dated December 1, 2003 (the "2003 Water and Sewer Bonds").

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 et seq., Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including resolution adopted on September 4, 2012 (the "Bond Resolution").

#### INSERT REDEMPTION IF APPLICABLE.

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.

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

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

The City and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2012 Bond Fund of the Bonds, or has made other provisions for funds, including the pledge of the net revenues of the combined water and sewer system of the City to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Transfer Agent.

**IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED** that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding General obligations of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

**IN WITNESS WHEREOF**, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the \_\_\_\_ day of \_\_\_\_, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

**BY:** \_\_\_\_\_  
**Mayor**

**COUNTERSIGNED:**

\_\_\_\_\_  
**City Clerk**

**(Seal)**

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

**CERTIFICATE OF REGISTRATION AND AUTHENTICATION**

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Water and Sewer Refunding Bonds, Series 2012, of the City of Southaven, Mississippi.

**THE PEOPLES BANK  
BILOXI, MISSISSIPPI,**  
as Transfer Agent

**BY:** \_\_\_\_\_  
Authorized Officer

Date of Registration and Authentication: \_\_\_\_\_

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following form:

**REGISTRATION AND VALIDATION CERTIFICATE**

**STATE OF MISSISSIPPI  
COUNTY OF DESOTO  
CITY OF SOUTHAVEN**

I, the undersigned City Clerk of the City of Southaven, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of DeSoto, Mississippi, rendered on the \_\_\_\_ day of \_\_\_\_, 2012.

\_\_\_\_\_  
**City Clerk**

(Seal)

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, \_\_\_\_\_, Mississippi, as Transfer Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

\_\_\_\_\_  
**NOTICE:** The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular manner, without any alteration whatever.

Signatures guaranteed:

\_\_\_\_\_  
**NOTICE:** Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
(Authorized Officer)

Date of Assignment: \_\_\_\_\_

Insert Social Security Number or Other  
Tax Identification Number of Assignee: \_\_\_\_\_

**EXHIBIT B**

**[BOND FORM]**

**UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI  
CITY OF SOUTHAVEN  
GENERAL OBLIGATION REFUNDING BOND,  
SERIES 2012A**

NO. R-\_\_\_\_ \$\_\_\_\_\_

<u>Rate of Interest</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	_____	_____, 2012	_____

**Registered Owner: Cede & Co.**

**Principal Amount: \_\_\_\_\_ DOLLARS**

The City of Southaven, State of Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of The Peoples Bank, Biloxi, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Refunding Bonds, Series 2012A, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by The Peoples Bank, Biloxi, Mississippi, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above, on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing December 1, 2012, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of not to exceed \_\_\_\_\_ Dollars (\$\_\_\_\_\_,000) to raise money for the purpose of advanced refunding a certain outstanding amount of the City's \$4,500,000 General Obligation Bonds, Series 2004, dated December 1, 2004.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 et seq., Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including resolution adopted on September 4, 2012 (the "Bond Resolution").

#### INSERT REDEMPTION IF APPLICABLE.

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.

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

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

The City and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable

property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Transfer Agent.

**IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED** that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding General obligations of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

**IN WITNESS WHEREOF**, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the \_\_\_\_ day of \_\_\_\_, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

**BY:** \_\_\_\_\_  
**Mayor**

**COUNTERSIGNED:**

\_\_\_\_\_  
**City Clerk**  
**(Seal)**

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

**CERTIFICATE OF REGISTRATION AND AUTHENTICATION**

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2012A, of the City of Southaven, Mississippi.

**THE PEOPLES BANK  
BILOXI, MISSISSIPPI,**  
as Transfer Agent

**BY:** \_\_\_\_\_  
Authorized Officer

Date of Registration and Authentication: \_\_\_\_\_

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following form:

**REGISTRATION AND VALIDATION CERTIFICATE**

**STATE OF MISSISSIPPI  
COUNTY OF DESOTO  
CITY OF SOUTHAVEN**

I, the undersigned City Clerk of the City of Southaven, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of DeSoto, Mississippi, rendered on the \_\_\_\_ day of \_\_\_\_, 2012.

\_\_\_\_\_  
City Clerk

(Seal)

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, \_\_\_\_\_, Mississippi, as Transfer Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

**NOTICE:** The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular manner, without any alteration whatever.

Signatures guaranteed:

\_\_\_\_\_  
**NOTICE:** Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
(Authorized Officer)

Date of Assignment: \_\_\_\_\_

Insert Social Security Number or Other  
Tax Identification Number of Assignee: \_\_\_\_\_

**EXHIBIT C**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**EXHIBIT D**

**CERTIFICATE OF THE MAYOR AND BOARD OF ALDERMEN OF  
THE CITY OF SOUTHAVEN, MISSISSIPPI**

This certificate is executed in order to evidence compliance with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). All terms used herein and not defined herein shall have the meaning set forth in the Rule. The City of Southaven, Mississippi (the "City"), hereby certifies as follows:

- (1) The City is required to provide certain financial information and operating data to several nationally recognized municipal securities information repositories under any Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (2) The City has fulfilled its obligations under all Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (3) A copy of the submission by the City required under the Rule for any applicable bond issues sold, issued and delivered by the City since July 1, 1995 is on file in the offices of the City Clerk of the City.

**IN WITNESS WHEREOF**, we have hereunto subscribed our respective official signatures and impressed hereon the seal of the City of Southaven, Mississippi, this the 4th day of September, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

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**MAYOR**

**ATTEST:**

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**CITY CLERK  
(SEAL)**

**EXHIBIT E**  
**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT F**

[put on letterhead of City of Southaven, Mississippi]

\_\_\_\_\_, 2012

BancorpSouth Bank

\_\_\_\_\_

Jackson, Mississippi \_\_\_\_\_

RE: Refunding of certain outstanding maturities of the City of Southaven, Mississippi Combined Water and Sewer System Revenue Bonds, dated December 1, 2003, issued in the original principal amount of \$4,500,000 (the "2003 Water and Sewer Bonds"), maturing in the years 2012 through 2023, both inclusive (the "Refunded Bonds"), and the optional redemption of the Refunded Bonds maturing in the years 2013 through 2023, both inclusive (the "Callable Bonds")

Dear Sirs:

The Mayor and Board of Aldermen for the City of Southaven, Mississippi, acting for and on behalf of the City of Southaven, Mississippi (the "Issuer"), did adopt a resolution (a copy of which is attached), which authorized the refunding of the Refunded Bonds and the optional redemption of the Callable Bonds, and the Issuer does hereby irrevocably exercise its option to call for redemption the outstanding Callable Bonds effective December 1, 2012 at par, and hereby directs BancorpSouth Bank as the Paying Agent for the Refunded Bonds (the "Paying Agent"), to take any action required under the Bond Resolution securing the Refunded Bonds (the "Bond Resolution"), including, without limitation, the giving of notice thereunder, to accomplish such redemption. Such optional redemption shall be carried out in accordance with the provisions of the Bond Resolution and the Paying Agent is hereby authorized to utilize the funds remitted to it from the refunding monies provided by the Issuer's not to exceed \$3,400,000 General Obligation Water and Sewer Refunding Bonds, Series 2012, to be dated the date of delivery thereof (the "Series 2012 Bonds").

From the date of the issuance of the Series 2012 Bonds, the Paying Agent for the Refunded Bonds shall provide for the debt service due on the Refunded Bonds and the funds for the optional redemption of the Callable Bonds from the funds provided to it by the Issuer from a portion of the proceeds of the Series 2012 Bonds.

It is the responsibility of the Paying Agent to assure that all publications and form of redemption notices conform to the requirements of the Bond Resolution.

Sincerely,

\_\_\_\_\_  
City of Southaven, Mississippi

**EXHIBIT G**

[put on letterhead of City of Southaven, Mississippi]

\_\_\_\_\_, 2012

The Peoples Bank

\_\_\_\_\_

Biloxi, Mississippi \_\_\_\_

RE: Refunding of certain outstanding maturities of the City of Southaven, Mississippi General Obligation Bonds, Series 2004, dated December 1, 2004, issued in the original principal amount of \$4,500,000 (the "2004 Bonds"), maturing in the years 2015 through 2024, both inclusive (the "Refunded Bonds"), and the optional redemption of the Refunded Bonds maturing in the years 2015 through 2024, both inclusive (the "Callable Bonds")

Dear Sirs:

The Mayor and Board of Aldermen for the City of Southaven, Mississippi, acting for and on behalf of the City of Southaven, Mississippi (the "Issuer"), did adopt a resolution (a copy of which is attached), which authorized the refunding of the Refunded Bonds and the optional redemption of the Callable Bonds, and the Issuer does hereby irrevocably exercise its option to call for redemption the outstanding Callable Bonds effective December 1, 2014 at par, and hereby directs The Peoples Bank as the Paying Agent for the Refunded Bonds (the "Paying Agent"), to take any action required under the Bond Resolution securing the Refunded Bonds (the "Bond Resolution"), including, without limitation, the giving of notice thereunder, to accomplish such redemption. Such optional redemption shall be carried out in accordance with the provisions of the Bond Resolution and the Paying Agent is hereby authorized to utilize the funds remitted to it from the refunding monies provided by a portion of the Issuer's not to exceed \$3,200,000 General Obligation Refunding Bonds, Series 2012A, to be dated the date of delivery thereof (the "Series 2012A Bonds").

From the date of the issuance of the Series 2012A Bonds, the Paying Agent for the Refunded Bonds shall provide for the debt service due on the Refunded Bonds and the funds for the optional redemption of the Callable Bonds from the funds provided to it by the Issuer from a portion of the proceeds of the Series 2012A Bonds.

It is the responsibility of the Paying Agent to assure that all publications and form of redemption notices conform to the requirements of the Bond Resolution.

Sincerely,

\_\_\_\_\_  
City of Southaven, Mississippi

**EXHIBIT H**

**FORM OF ESCROW AGREEMENT**

ButlerSnow 11278635v1

The Mayor and Board of Aldermen of the City of Southaven, Mississippi (the "City"), took up for consideration the matter of adopting this resolution in connection with the issuance of not to exceed (a) \$3,400,000 General Obligation Water and Sewer Refunding Bonds, Series 2012 of the City and (b) \$3,200,000 General Obligation Refunding Bonds, Series 2012A of the City.

**RESOLUTION AUTHORIZING AND DIRECTING (I) THE ISSUANCE OF (A) GENERAL OBLIGATION WATER AND SEWER REFUNDING BONDS, SERIES 2012, OF THE CITY OF SOUTHAVEN, MISSISSIPPI (THE "CITY"), IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$3,400,000) (THE "SERIES 2012 BONDS") TO RAISE MONEY FOR THE PURPOSE OF CURRENT REFUNDING A CERTAIN OUTSTANDING AMOUNT OF THE CITY'S \$4,500,000 COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2003, DATED DECEMBER 1, 2003 (THE "2003 WATER AND SEWER BONDS"); AND (B) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2012A, OF THE CITY IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED THREE MILLION TWO HUNDRED THOUSAND DOLLARS (\$3,200,000) (THE "SERIES 2012A BONDS" AND TOGETHER WITH THE SERIES 2012 BONDS, THE "BONDS") TO RAISE MONEY FOR THE PURPOSE OF ADVANCED REFUNDING A CERTAIN OUTSTANDING AMOUNT OF THE CITY'S \$4,500,000 GENERAL OBLIGATION BONDS, SERIES 2004, DATED DECEMBER 1, 2004 (THE "2004 BONDS"); (II) THE PAYMENT OF COSTS OF ISSUANCE OF THE BONDS; AND (III) FOR RELATED PURPOSES.**

**WHEREAS**, the Mayor and Board of Aldermen of the City, acting for and on behalf of said City, 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.

"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.

"Beneficial Owner" or "Beneficial Owners" 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 together, the Series 2012 Bonds and the Series 2012A Bonds.

"Bond Counsel" shall mean Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi.

"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.

"Bond Resolution" shall mean this resolution.

"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 2 herein.

"Callable Bonds" shall mean together the Callable Water and Sewer Bonds and the Callable 2004 Bonds.

"Callable Water and Sewer Bonds" shall mean the 2003 Water and Sewer Bonds maturing in the years 2013 through 2023, both inclusive.

"Callable 2004 Bonds" shall mean the 2004 Bonds maturing in the years 2015 through 2024, both inclusive.

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

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

"County" shall mean DeSoto County, Mississippi.

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

"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 2004 Bonds, and shall initially be The Peoples Bank, Biloxi, Mississippi.

"Escrow Agreement" shall mean that Escrow Agreement dated the date of delivery of the Series 2012A Bonds by and between the City and the Escrow Agent, providing for the refunding of the Refunded 2004 Bonds.

"Escrow Fund" shall mean the Escrow Deposit Fund established pursuant to the Escrow Agreement to pay the principal of and interest on the Refunded 2004 Bonds.

"Escrow Requirement" shall mean the sale proceeds of the Series 2012A Bonds deposited in the Escrow Fund and used to refund the Refunded 2004 Bonds as provided in the Escrow Agreement.

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

"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 blanket issuer letter of representations from the City to DTC under the Book-Entry System.

"Mayor" shall mean the Mayor of the City.

"Paying Agent" shall mean any bank, trust company or other institution whether designated by the Bond Resolution or 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 as may be specified by the Bond Resolution or hereafter specified by the Governing Body and shall initially be The Peoples Bank, Biloxi, Mississippi.

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

"Project" shall mean the Series 2012 Project and the Series 2012A Project.

"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.

"Refunded Bonds" shall mean together, the Refunded Water and Sewer Bonds and the Refunded 2004 Bonds.

"Refunded Water and Sewer Bonds" shall mean the 2003 Water and Sewer Bonds which mature in the years 2012 through 2023, both inclusive.

“Refunded 2004 Bonds” shall mean the 2004 Bonds which mature in the years 2015 through 2024, both inclusive.

“Refunding Project” shall mean together the Series 2012 Refunding Project and the Series 2012A Refunding Project.

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

"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.

“Series 2012 Bonds” shall mean the not to exceed \$3,400,000 General Obligation Water and Sewer Refunding Bonds, Series 2012 of the City authorized and directed to be issued in this Bond Resolution.

“Series 2012A Bonds” shall mean the not to exceed \$3,200,000 General Obligation Refunding Bonds, Series 2012A of the City authorized and directed to be issued in this Bond Resolution.

“Series 2012 Project” shall mean providing funds for the Series 2012 Refunding Project and paying the costs of issuance of the Series 2012 Bonds.

“Series 2012A Project” shall mean providing funds for the Series 2012A Refunding Project and paying the costs of issuance of the Series 2012A Bonds.

"Series 2012 Refunding Project" shall mean providing funds which funds, together with certain Transferred Proceeds, will be sufficient for the current refunding of the Refunded Water and Sewer Bonds, including funds for the redemption price of the Callable Water and Sewer Bonds.

"Series 2012A Refunding Project" shall mean providing funds for the advanced refunding of the Refunded 2004 Bonds, including funds for the redemption price of the Callable 2004 Bonds.

“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 Peoples Bank, Biloxi, Mississippi.

"Transferred Proceeds" shall mean the funds transferred from the 2003 Water and Sewer Debt Service Fund and the 2003 Water and Sewer Debt Service Reserve Fund for the 2003 Water and Sewer Bonds to the 2003 Water and Sewer Paying Agent to provide a portion of the funds to effectuate the refunding of the Refunded Water and Sewer Bonds.

"Underwriter" shall mean Stephens Inc., Little Rock, Arkansas.

"2003 Water and Sewer Bonds" shall mean the City's \$4,500,000 Combined Water and Sewer System Revenue Bonds, Series 2003, dated December 1, 2003.

"2003 Water and Sewer Bond Resolution" shall mean the Bond Resolution, adopted by the City, in connection with the 2003 Water and Sewer Bonds..

"2003 Water and Sewer Paying Agent" shall mean BancorpSouth Bank, Jackson, Mississippi.

"2004 Bonds" shall mean the City's \$4,500,000 General Obligation Bonds, Series 2004, dated December 1, 2004.

"2004 Bond Resolution" shall mean the Bond Resolution, adopted by the City, in connection with the 2004 Bonds.

"2004 Paying Agent" shall mean The Peoples Bank, Biloxi, Mississippi.

"2012 Bond Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012, 2012 Bond Fund provided for in Section 13 hereof.

"2012 Costs of Issuance Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012, 2012 Costs of Issuance Fund provided for in Section 14 hereof.

"2012A Bond Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, 2012A Bond Fund provided for in Section 13 hereof.

"2012A Costs of Issuance Fund" shall mean the City of Southaven, Mississippi General Obligation Refunding Bonds, Series 2012A, 2012A Costs of Issuance Fund provided for in Section 14 hereof.

(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 (a) Series 2012 Project is not to exceed Three Million Four Hundred Thousand Dollars (\$3,400,000) and (b) Series 2012A Project is not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000).

4. The Governing Body recognizes that the current low interest rate environment provides an opportunity to realize savings from the issuance of the 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.

5. 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 26 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.

6. The City recognizes that in order to prepare the necessary offering documents it is in the best interest of the City to employ and authorize Bond Counsel and Financial Advisor to prepare and distribute all necessary documents and resolutions 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. No fee will be due to Butler, Snow, O'Mara, Stevens & Cannada, PLLC or Government Consultants, Inc. unless the Governing Body approves the issuance of the Bonds.

7. It is necessary to approve the 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.

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

9. 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.

10. It is necessary to approve the Escrow Agent and the form and execution of the Escrow Agreement for the Refunded Bonds.

11. It is necessary to authorize the Mayor or Clerk of the City to provide a written notification to the 2003 Water and Sewer Paying Agent and the 2004 Paying Agent of the current refunding of the Refunded Water and Sewer Bonds and the advanced refunding of the Refunded 2004 Bonds.

12. 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.** 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 2.** (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 2. 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 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 Section 8 hereof.

(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.

(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 3.** (a) The Series 2012 Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Three Million Four Hundred Thousand Dollars (\$3,400,000) to raise money for the Series 2012 Project as authorized by the Act.

(b) The Series 2012A Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Three Million Two Hundred Thousand Dollars (\$3,200,000) to raise money for the Series 2012A Project as authorized by the Act.

**SECTION 4.** (a) 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.

(b) The Series 2012 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 by further order of the Governing Body, payable on June 1 and December 1 of each year (each an "Interest Payment Date") until maturity, such interest rate to be in compliance with the Act, commencing December 1, 2012, unless otherwise specified in the Bond Purchase Agreement; and shall mature and become due and payable on December 1 in the years and in the amounts as determined in the Bond Purchase Agreement, with the final maturity occurring not later than December 1, 2023 and with such completions, changes, insertions and modifications to the Bond Purchase Agreement 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).

(c) The Series 2012 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 (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

(d) The Series 2012A 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 by further order of the Governing Body, payable on June 1 and December 1 of each year (each an "Interest Payment Date") until maturity, such interest rate to be in compliance with the Act, commencing December 1, 2012 unless otherwise specified in the Bond Purchase Agreement; and shall mature and become due and payable on December 1 in the years and in the amounts as determined in the Bond Purchase Agreement, with the final maturity occurring not later than December 1, 2024 and with such completions, changes, insertions and modifications to the Bond Purchase Agreement 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)

(e) The Series 2012A 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 (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications).

(f) 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.

(g) 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 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 5.** (a) When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the City in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse side of each of the Bonds, over her manual or facsimile signature and manual or facsimile seal, her certificate in substantially the form set out in **EXHIBIT A** and **EXHIBIT B**, respectively.

(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 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 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 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 6.** (a) The City hereby appoints the Paying and Transfer Agent for the Bonds. 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 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 7(d)(iv) hereof.

**SECTION 7.** The Bonds shall be in substantially the form attached hereto as **EXHIBIT A** and **EXHIBIT B** 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 substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or Transfer Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of

his ownership thereof, and furnishing the City or Transfer Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote. The provision of this Section 8 shall not apply if the Book-Entry System is in effect.

**SECTION 9.** (a) For the purpose of effectuating and providing for the payment of the principal of and interest on the Series 2012 Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Series 2012 Bonds; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2012 Bond Fund of the Series 2012 Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Series 2012 Bonds due during the ensuing fiscal year of the City, including the pledge of the net revenues of the System to be applied toward the payment of the principal of and interest on the Series 2012 Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. When necessary, said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Series 2012 Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Series 2012 Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Series 2012 Bonds, both as to principal and interest.

(b) For the purpose of effectuating and providing for the payment of the principal of and interest on the Series 2012A Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Series 2012A Bonds, in accordance with the provisions of the Bond Resolution. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Series 2012A Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Series 2012A Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Series 2012A Bonds, both as to principal and interest.

**SECTION 10.** 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 Transfer Agent, shall be entitled to the rights, benefits and security of this Bond Resolution.

No 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 Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer 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 11.** (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 for 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 Transfer 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 Bond shall be registered in the records of the City maintained by the Transfer 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 Bond 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 such Bond to the extent of the sum or sums so paid.

**SECTION 12.** (a) Each Bond shall be transferable only in the records of the City, upon surrender thereof at the office of the Transfer Agent, together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the City, acting through its Transfer Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

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

**SECTION 13.** (a) The City hereby establishes the 2012 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Series 2012 Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2012 Bond Fund as and when received:

- (i) The accrued interest, if any, received upon delivery of the Series 2012 Bonds;
- (ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;

(iii) Any income received from investment of monies in the 2012 Bond Fund;  
and

(iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Series 2012 Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2012 Bond Fund.

(b) As long as any principal of and interest on the Series 2012 Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2012 Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

(c) The City hereby establishes the 2012A Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Series 2012A Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2012A Bond Fund as and when received:

(i) The accrued interest, if any, received upon delivery of the Series 2012A Bonds;

(ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;

(iii) Any income received from investment of monies in the 2012A Bond Fund; and

(iv) Any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Series 2012A Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2012A Bond Fund.

(d) As long as any principal of and interest on the Series 2012A Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2012A Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

**SECTION 14.** (a) The City hereby establishes the 2012 Costs of Issuance Fund which shall be held by the Paying Agent pursuant to this resolution. A certain portion of the proceeds received upon the sale of the Series 2012 Bonds shall be deposited in the 2012 Costs of Issuance Fund. Any income received from investment of monies in the 2012 Costs of Issuance Fund shall be deposited in the 2012 Costs of Issuance Fund. Funds in the 2012 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 and delivery of the Series 2012 Bonds. Any amounts which remain in the 2012 Costs of Issuance Fund after the payment of the costs of issuance for the Series 2012 Bonds shall be transferred by the Paying Agent to the City for deposit in the 2012 Bond Fund and used as permitted under State law.

(b) The City hereby establishes the 2012A Costs of Issuance Fund which shall be held by the Escrow Agent under the Escrow Agreement. A certain portion of the proceeds received upon the sale of the Series 2012A Bonds shall be deposited in the 2012A Costs of Issuance Fund. Any income received from investment of monies in the 2012 Costs of Issuance Fund shall be deposited in the 2012A Costs of Issuance Fund. Funds in the 2012A 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 and delivery of the Series 2012A Bonds. Any amounts which remain in the 2012A Costs of Issuance Fund after the payment of the costs of issuance for the Series 2012A Bonds shall be transferred by the Escrow Agent to the City for deposit in the 2012A Bond Fund and used as permitted under State law

**SECTION 15.** Upon delivery of the Series 2012 Bonds and the Series 2012A Bonds, the City will remit or will direct the remittance of (a) a certain portion of the proceeds received upon the sale of the Series 2012 Bonds, together with Transferred Proceeds, directly to the 2003 Water and Sewer Paying Agent, which amount, will be sufficient to effectuate the current refunding of the Refunded Water and Sewer Bonds and the redemption price of the Callable Water and Sewer Bonds pursuant to the terms of the 2003 Bond Resolution; and (b) a certain portion of the proceeds received upon the sale of the Series 2012A Bonds, directly to the Escrow Agent under the Escrow Agreement for deposit in the Escrow Fund, which amount, together with investment income thereon, will be sufficient to effectuate the advanced refunding of the Refunded 2004 Bonds and the redemption price of the Callable 2004 Bonds, pursuant to the terms of the Escrow Agreement.

**SECTION 16.** (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who 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 Transfer Agent. Any such address may be changed by written notice from the Registered Owner to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date to be effective as of such date.

**SECTION 17.** The Bonds may be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end, if requested, the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State's bond attorney for the institution of validation proceedings.

**SECTION 18.** 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 19.** The City hereby covenants 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 Refunded 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 Refunded 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 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 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 Bonds and 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;

(g) it shall make, or cause to be made, the rebate required by Section 148(f) of the Code in the manner described in Regulation § 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1, 1.150-2, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds.

**SECTION 20.** The City hereby designates the Bonds as "qualified tax-exempt obligation" as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that:

(a) the City reasonably anticipates that the amount of tax-exempt obligations to be issued by it during the period from January 1, 2012 to December 31, 2012, and the amount of obligation designated as "qualified tax-exempt obligation" by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds; and

(b) for purposes of this Section 20, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the City: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

**SECTION 21.** 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](http://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 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 of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION" and other financial information set forth in APPENDICES B and C of the Official Statement. The City will update and provide this information within six months after the end of each fiscal year of the City ending in or after 2012.

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. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available. 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. Accordingly, it must provide updated information by March 31 in each year, unless the City changes its fiscal year. 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, 8710 Northwest Drive, Southaven, Mississippi 38671 Telephone Number: (662) 280-2489.

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 additional Paying Agent, or the change in the name of the Paying Agent. 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 22.** (a) The Paying Agent is hereby authorized to pay costs of issuance expenses on the closing date for the Series 2012 Bonds from the proceeds of the Series 2012 Bonds deposited with the Paying Agent pursuant to this resolution for the costs of issuance of said Series 2012 Bonds; provided, however, total costs of issuance for said Series 2012 Bonds shall not exceed 4% of the par amount of the Series 2012 Bonds (excluding Underwriter's discount and bond insurance premium, if any). The Mayor or Clerk or any other Authorized Officer are authorized to sign requisitions for the payment of costs of issuance for the Series 2012 Bonds; and (b) the Escrow Agent is hereby authorized to pay costs of issuance expenses on the closing date for the Series 2012A Bonds from the proceeds of the Series 2012A Bonds deposited with the Escrow Agent under the Escrow Agreement for the costs of issuance of said Series 2012A Bonds; provided, however, total costs of issuance for said Bonds shall not exceed 4% of the par amount of the Series 2012A Bonds (excluding Underwriter's discount and bond insurance premium, if any). The Mayor or Clerk or any other Authorized Officer are authorized to sign requisitions for the payment of costs of issuance for the Series 2012A Bonds.

**SECTION 23.** 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 C**. 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 24.** That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bonds is hereby authorized and ratified.

**SECTION 25.** That the Governing Body hereby authorizes the Mayor and Clerk to execute the Certificate of the City of Southaven, Mississippi, attached hereto as **EXHIBIT D**, in connection with the disclosure requirements regarding the distribution of the above referenced Preliminary Official Statement to prospective purchasers of the Bonds.

**SECTION 26.** That the Governing Body of the City hereby employs Bond Counsel and Financial Advisor and authorizes the negotiation of the sale of the Bonds to the Underwriter and authorizes the execution by the Mayor and Clerk of the City of the Bond Purchase Agreement in substantially the same form attached hereto as **EXHIBIT E** 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), based on the recommendation of Bond Counsel and Financial Advisor and provided that the following parameters are met: (1) the par amount of the Series 2012 Bonds will not exceed \$3,400,000; (2) the par amount of the Series 2012A Bonds will not exceed \$3,200,000; (3) the net interest cost of not more than eleven percent (11%) of the Series 2012 Bonds; (4) the net interest cost of not more than eleven percent (11%) of the Series 2012A Bonds; (5) the Series 2012 Bonds will mature no later than December 1, 2023; (6) the Series 2012 Bonds will mature no later than December 1, 2024; and (4) terms and provisions of the Bonds in compliance with the Act.

**SECTION 27.** 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 28.** Each of the following constitutes an event of default under this Bond Resolution:

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

(b) 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 thirty (30) 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

(c) an Act of Bankruptcy occurs.

**SECTION 29.** 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 30.** This resolution shall serve as notice to the 2003 Water and Sewer Paying Agent and the 2004 Paying Agent of the City's desire to provide for the Series 2012 Refunding Project and the Series 2012A Refunding Project, as applicable.

**SECTION 31.** The form of and the execution by the Mayor or Clerk of the 2003 Water and Sewer Bonds Notice of Refunding/Redemption and the 2004 Notice of Refunding/Redemption, attached hereto as **EXHIBIT F** and **EXHIBIT G** is hereby approved.

**SECTION 32.** That the Governing Body hereby approves the form of the Escrow Agreement attached hereto as **EXHIBIT H** for and on behalf of said Governing Body and authorizes the execution by the Governing Body of the Escrow Agreement in substantially the same form for and on behalf of said Governing Body.

**SECTION 33.** That the Governing Body hereby approves the appointment of the Escrow Agent under the terms and provisions of the Escrow Agreement.

**SECTION 34.** The Governing Body hereby authorizes the Escrow Agent and/or Bond Counsel in making the initial application with the Department of the Treasury, Bureau of Public Debt, Division of Special Investments, Parkersburg, West Virginia for United States Treasury Securities - State and Local Government Series (the "SLGS"), if such application is deemed necessary in connection with completing the Project.

**SECTION 35.** The Governing Body authorizes the preparation and submission of the final application for SLGS by the Escrow Agent, if such application is deemed necessary in connection with completing the Project.

**SECTION 36.** 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, upon advice from the Financial Advisor, 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 37.** If the Escrow Agreement is not deemed necessary due to certain market conditions at the point in time when the Bonds are subject to pricing, the Governing Body hereby approves (b) the remittance of a certain portion of the proceeds received upon the sale of the Series 2012A Bonds directly to the 2004 Paying Agent to effectuate the advanced refunding of the Refunded 2004 Bonds; and (c) the remittance of a portion of the proceeds received upon the sale of the Series 2012A Bonds to the Paying Agent to pay costs of issuance, including costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale validation and delivery of the Bonds and authorizes the Paying Agent to pay costs of issuance expenses on the closing date; provided, however costs of issuance for said Bonds shall not exceed 4% of the par amount of the Bonds (excluding Underwriter's discount and bond insurance premium, if any).

**SECTION 38.** 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.

Motion was made by Alderman \_\_\_\_\_ and seconded by Alderman \_\_\_\_\_, 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 Greg Guy	voted: _____
Alderman Lorine Cady	voted: _____
Alderman Ronnie Hale	voted: _____
Alderman George Payne	voted: _____
Alderman William Brooks	voted: _____
Alderman Ricky Jobs	voted: _____
Alderman Dr. Randy Huling	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this the 4th day of September, 2012.

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**MAYOR**

**ATTEST:**

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**CITY CLERK**

**(SEAL)**

**EXHIBIT A**

**[BOND FORM]**

**UNITED STATES OF AMERICA**

**STATE OF MISSISSIPPI**

**CITY OF SOUTHAVEN**

**GENERAL OBLIGATION WATER AND SEWER REFUNDING BOND,**

**SERIES 2012**

NO. R-\_\_\_\_ \$\_\_\_\_\_

**Rate of Interest**                      **Maturity**                      **Date of Original Issue**                      **CUSIP**

\_\_\_\_\_ %                      \_\_\_\_\_                      \_\_\_\_\_, 2012                      \_\_\_\_\_

**Registered Owner: Cede & Co.**

**Principal Amount: \_\_\_\_\_ DOLLARS**

The City of Southaven, State of Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of The Peoples Bank, Biloxi, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Water and Sewer Refunding Bonds, Series 2012, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by The Peoples Bank, Biloxi, Mississippi, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above, on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing December 1, 2012, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent

not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of not to exceed \_\_\_\_\_ Dollars (\$\_\_\_\_,000) to raise money for the purpose of current refunding a certain outstanding amount of the City's \$4,500,000 Combined Water and Sewer System Revenue Bonds, Series 2003, dated December 1, 2003 (the "2003 Water and Sewer Bonds").

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 et seq., Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including resolution adopted on September 4, 2012 (the "Bond Resolution").

#### INSERT REDEMPTION IF APPLICABLE.

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.

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

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

The City and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the City on or prior to September 1 of that year has transferred money to the 2012 Bond Fund of the Bonds, or has made other provisions for funds, including the pledge of the net revenues of the combined water and sewer system of the City to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the City, in accordance with the provisions of the Bond Resolution. The City, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Transfer Agent.

**IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED** that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding General obligations of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

**IN WITNESS WHEREOF**, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the \_\_\_\_ day of \_\_\_\_, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

**BY:** \_\_\_\_\_  
**Mayor**

**COUNTERSIGNED:**

\_\_\_\_\_  
**City Clerk**

**(Seal)**

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

**CERTIFICATE OF REGISTRATION AND AUTHENTICATION**

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Water and Sewer Refunding Bonds, Series 2012, of the City of Southaven, Mississippi.

**THE PEOPLES BANK  
BILOXI, MISSISSIPPI,**  
as Transfer Agent

**BY:** \_\_\_\_\_  
Authorized Officer

Date of Registration and Authentication: \_\_\_\_\_

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following form:

**REGISTRATION AND VALIDATION CERTIFICATE**

**STATE OF MISSISSIPPI  
COUNTY OF DESOTO  
CITY OF SOUTHAVEN**

I, the undersigned City Clerk of the City of Southaven, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of DeSoto, Mississippi, rendered on the \_\_\_\_ day of \_\_\_\_, 2012.

\_\_\_\_\_  
**City Clerk**

(Seal)

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto

\_\_\_\_\_ (Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, \_\_\_\_\_, Mississippi, as Transfer Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

**NOTICE:** The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular manner, without any alteration whatever.

Signatures guaranteed:

**NOTICE:** Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_ (Authorized Officer)

Date of Assignment: \_\_\_\_\_

Insert Social Security Number or Other Tax Identification Number of Assignee: \_\_\_\_\_

**EXHIBIT B**

**[BOND FORM]**

**UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI  
CITY OF SOUTHAVEN  
GENERAL OBLIGATION REFUNDING BOND,  
SERIES 2012A**

NO. R-\_\_\_\_ \$\_\_\_\_\_

<u>Rate of Interest</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	_____	_____, 2012	_____

**Registered Owner: Cede & Co.**

**Principal Amount: \_\_\_\_\_ DOLLARS**

The City of Southaven, State of Mississippi (the "City"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Bond, at the principal office of The Peoples Bank, Biloxi, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Refunding Bonds, Series 2012A, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner hereof who shall appear in the registration records of the City maintained by The Peoples Bank, Biloxi, Mississippi, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The City further promises to pay interest on such principal amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above, on June 1 and December 1 of each year (each an "Interest Payment Date"), commencing December 1, 2012, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the City maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of not to exceed \_\_\_\_\_ Dollars (\$\_\_\_\_\_,000) to raise money for the purpose of advanced refunding a certain outstanding amount of the City's \$4,500,000 General Obligation Bonds, Series 2004, dated December 1, 2004.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 et seq., Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the City, including resolution adopted on September 4, 2012 (the "Bond Resolution").

INSERT REDEMPTION IF APPLICABLE.

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.

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

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

The City and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable

property within the geographical limits of the City adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Transfer Agent.

**IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED** that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding General obligations of the City, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the City are hereby irrevocably pledged.

**IN WITNESS WHEREOF**, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the \_\_\_\_ day of \_\_\_\_, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

**BY:** \_\_\_\_\_  
**Mayor**

**COUNTERSIGNED:**

\_\_\_\_\_  
**City Clerk**  
**(Seal)**

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

**CERTIFICATE OF REGISTRATION AND AUTHENTICATION**

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2012A, of the City of Southaven, Mississippi.

**THE PEOPLES BANK  
BILOXI, MISSISSIPPI,**  
as Transfer Agent

**BY:** \_\_\_\_\_  
Authorized Officer

Date of Registration and Authentication: \_\_\_\_\_

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following form:

**REGISTRATION AND VALIDATION CERTIFICATE**

**STATE OF MISSISSIPPI  
COUNTY OF DESOTO  
CITY OF SOUTHAVEN**

I, the undersigned City Clerk of the City of Southaven, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of DeSoto, Mississippi, rendered on the \_\_\_\_ day of \_\_\_\_, 2012.

\_\_\_\_\_  
City Clerk

(Seal)

**ASSIGNMENT**

**FOR VALUE RECEIVED**, the undersigned sells, assigns and transfers unto

\_\_\_\_\_  
(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_, \_\_\_\_\_, Mississippi, as Transfer Agent to transfer the said Bond on the records kept for registration thereof with full power of substitution in the premises.

**NOTICE:** The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular manner, without any alteration whatever.

Signatures guaranteed:

\_\_\_\_\_  
**NOTICE:** Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

\_\_\_\_\_  
(Authorized Officer)

Date of Assignment: \_\_\_\_\_

Insert Social Security Number or Other  
Tax Identification Number of Assignee: \_\_\_\_\_

**EXHIBIT C**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**EXHIBIT D**

**CERTIFICATE OF THE MAYOR AND BOARD OF ALDERMEN OF  
THE CITY OF SOUTHAVEN, MISSISSIPPI**

This certificate is executed in order to evidence compliance with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). All terms used herein and not defined herein shall have the meaning set forth in the Rule. The City of Southaven, Mississippi (the "City"), hereby certifies as follows:

- (1) The City is required to provide certain financial information and operating data to several nationally recognized municipal securities information repositories under any Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (2) The City has fulfilled its obligations under all Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (3) A copy of the submission by the City required under the Rule for any applicable bond issues sold, issued and delivered by the City since July 1, 1995 is on file in the offices of the City Clerk of the City.

**IN WITNESS WHEREOF**, we have hereunto subscribed our respective official signatures and impressed hereon the seal of the City of Southaven, Mississippi, this the 4th day of September, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

---

**MAYOR**

**ATTEST:**

---

**CITY CLERK  
(SEAL)**

**EXHIBIT E**  
**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT F**

[put on letterhead of City of Southaven, Mississippi]

\_\_\_\_\_, 2012

BancorpSouth Bank

\_\_\_\_\_

Jackson, Mississippi \_\_\_\_\_

RE: Refunding of certain outstanding maturities of the City of Southaven, Mississippi Combined Water and Sewer System Revenue Bonds, dated December 1, 2003, issued in the original principal amount of \$4,500,000 (the "2003 Water and Sewer Bonds"), maturing in the years 2012 through 2023, both inclusive (the "Refunded Bonds"), and the optional redemption of the Refunded Bonds maturing in the years 2013 through 2023, both inclusive (the "Callable Bonds")

Dear Sirs:

The Mayor and Board of Aldermen for the City of Southaven, Mississippi, acting for and on behalf of the City of Southaven, Mississippi (the "Issuer"), did adopt a resolution (a copy of which is attached), which authorized the refunding of the Refunded Bonds and the optional redemption of the Callable Bonds, and the Issuer does hereby irrevocably exercise its option to call for redemption the outstanding Callable Bonds effective December 1, 2012 at par, and hereby directs BancorpSouth Bank as the Paying Agent for the Refunded Bonds (the "Paying Agent"), to take any action required under the Bond Resolution securing the Refunded Bonds (the "Bond Resolution"), including, without limitation, the giving of notice thereunder, to accomplish such redemption. Such optional redemption shall be carried out in accordance with the provisions of the Bond Resolution and the Paying Agent is hereby authorized to utilize the funds remitted to it from the refunding monies provided by the Issuer's not to exceed \$3,400,000 General Obligation Water and Sewer Refunding Bonds, Series 2012, to be dated the date of delivery thereof (the "Series 2012 Bonds").

From the date of the issuance of the Series 2012 Bonds, the Paying Agent for the Refunded Bonds shall provide for the debt service due on the Refunded Bonds and the funds for the optional redemption of the Callable Bonds from the funds provided to it by the Issuer from a portion of the proceeds of the Series 2012 Bonds.

It is the responsibility of the Paying Agent to assure that all publications and form of redemption notices conform to the requirements of the Bond Resolution.

Sincerely,

\_\_\_\_\_  
City of Southaven, Mississippi

**EXHIBIT G**

[put on letterhead of City of Southaven, Mississippi]

\_\_\_\_\_, 2012

The Peoples Bank

\_\_\_\_\_

Biloxi, Mississippi \_\_\_\_

RE: Refunding of certain outstanding maturities of the City of Southaven, Mississippi General Obligation Bonds, Series 2004, dated December 1, 2004, issued in the original principal amount of \$4,500,000 (the "2004 Bonds"), maturing in the years 2015 through 2024, both inclusive (the "Refunded Bonds"), and the optional redemption of the Refunded Bonds maturing in the years 2015 through 2024, both inclusive (the "Callable Bonds")

Dear Sirs:

The Mayor and Board of Aldermen for the City of Southaven, Mississippi, acting for and on behalf of the City of Southaven, Mississippi (the "Issuer"), did adopt a resolution (a copy of which is attached), which authorized the refunding of the Refunded Bonds and the optional redemption of the Callable Bonds, and the Issuer does hereby irrevocably exercise its option to call for redemption the outstanding Callable Bonds effective December 1, 2014 at par, and hereby directs The Peoples Bank as the Paying Agent for the Refunded Bonds (the "Paying Agent"), to take any action required under the Bond Resolution securing the Refunded Bonds (the "Bond Resolution"), including, without limitation, the giving of notice thereunder, to accomplish such redemption. Such optional redemption shall be carried out in accordance with the provisions of the Bond Resolution and the Paying Agent is hereby authorized to utilize the funds remitted to it from the refunding monies provided by a portion of the Issuer's not to exceed \$3,200,000 General Obligation Refunding Bonds, Series 2012A, to be dated the date of delivery thereof (the "Series 2012A Bonds").

From the date of the issuance of the Series 2012A Bonds, the Paying Agent for the Refunded Bonds shall provide for the debt service due on the Refunded Bonds and the funds for the optional redemption of the Callable Bonds from the funds provided to it by the Issuer from a portion of the proceeds of the Series 2012A Bonds.

It is the responsibility of the Paying Agent to assure that all publications and form of redemption notices conform to the requirements of the Bond Resolution.

Sincerely,

\_\_\_\_\_  
City of Southaven, Mississippi

**EXHIBIT H**

**FORM OF ESCROW AGREEMENT**

ButlerSnow 11278635v1

## **RESOLUTION GRANTING AUTHORITY TO CLEAN PRIVATE PROPERTY**

**WHEREAS**, the governing authorities of the City of Southaven, Mississippi, have received numerous complaints regarding the parcel of land located at the following address, to-wit: **1410 Ashley Cove, 4044 Courtyard Drive, 1374 Gaston Drive, 1351 Houston Loop South, 1354 Tyler Way, 3841 Houston Loop North, 4084 Hearthstone Cove, 5115 Pepperchase Drive, Parcel ID# 208101000000213, Parcel ID# 2081011100001500, Parcel ID# 2081011100002600, Parcel ID# 2081011100002700, 7616 Millbridge Drive, 575 Kackybrook Cove, 803 Stowewood Drive, 8439 Booneville Drive, 1527 Bennington Cove, 7395 Bridle Cove, 2324 Carrolton Drive**, to the effect that the said parcel of land has been neglected whereby **the grass height is in violation and there exist other unsafe conditions** and that the parcel of land in the present condition is deemed to be a menace to the public health and safety of the community.

**WHEREAS**, pursuant to Section 21-19-11 of the Mississippi Code Annotated (1972), the governing authorities of the City of Southaven, Mississippi, provided the owners of the above described parcel of land with notice of the condition of their respective parcel of land and further provided them with notice of a hearing before the Mayor and Board of Aldermen on **Tuesday, September 4, 2012**, by United States mail and by posting said notice, to determine whether or not the said parcel of land were in such a state of uncleanliness as to be a menace to the public health and safety of the community.

**WHEREAS**, none of the owners of the above described parcel of land appeared at the meeting of the Mayor and Board of Aldermen on **Tuesday, September 4, 2012**, to voice objection or to offer a defense.

**NOW, THEREFORE, BE IT HEREBY RESOLVED**, by the Mayor and Board of Alderman of the City of Southaven, Mississippi, that the above described parcel of land located at: **1410 Ashley Cove, 4044 Courtyard Drive, 1374 Gaston Drive, 1351 Houston Loop South, 1354 Tyler Way, 3841 Houston Loop North, 4084 Hearthstone Cove, 5115 Pepperchase Drive, Parcel ID# 208101000000213, Parcel ID# 2081011100001500, Parcel ID# 2081011100002600, Parcel ID# 2081011100002700, 7616 Millbridge Drive, 575 Kackybrook Cove, 803 Stowewood Drive, 8439 Booneville Drive, 1527 Bennington Cove, 7395 Bridle Cove, 2324 Carrolton Drive** is deemed in the existing condition to be a menace to the public health and safety of the community.

**BE IT FURTHER RESOLVED** that the City of Southaven shall, if the owners of the above described parcel of land do not do so themselves, immediately proceed to clean the respective parcel of land, by the use of municipal employees or by contract, by cutting weeds and grass and removing rubbish and other debris.

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

**ALDERMAN**

**VOTED**

Alderman Greg Guy

Alderman Lorine Cady

Alderman Ronnie Hale

Alderman George Payne

Alderman William Brooks

Alderman Ricky Jobs

Alderman Randall T. Huling, Jr.

The Resolution, having received a majority vote of all Aldermen present, was declared adopted on this, the **4th day of September, 2012.**

**CITY OF SOUTHAVEN, MISSISSIPPI**

**BY:**

\_\_\_\_\_  
**CHARLES G. DAVIS**  
**MAYOR**

**ATTEST:**

\_\_\_\_\_  
**SHEILA HEATH**  
**CITY CLERK**

**(S E A L)**

**RESOLUTION OF THE CITY OF SOUTHAVEN APPROVING LEASE  
PURCHASING FINANCING FOR THE ACQUISITION OF CERTAIN  
FINANCING; APPROVING MASTER PURCHASE LEASE AGREEMENT,  
LEASING SCHEDULE, ESCROW AGREEMENT AND RELATED  
DOCUMENTS, AND AUTHORIZING THE EXECUTION OF THE SAME**

WHEREAS, the Board of Alderman for the City of Southaven (the "Governing Body") of the **City of Southaven, Mississippi** ("Lessee") has reviewed and determined its anticipated equipment requirements.

WHEREAS, the Governing Body for Lessee has determined that it is in Lessee's best interest to acquire the equipment (the "Equipment") described in a Performance Contracting Agreement (the "Energy Savings Contract") by and between Lessee and Siemens Industry, Inc., Building Technologies Division, a copy of which document is attached hereto as **Exhibit A**, and to finance such acquisition under Leasing Schedule #280-0002380-001 (the "Lease"), which incorporates the terms and conditions of the Master Lease Purchase Agreement (the "Agreement"), between Lessee and Siemens Public, Inc., copies of which documents are attached hereto as **Exhibit B**; and

WHEREAS, in connection with the execution and delivery of the Lease, it will be necessary for Lessee to enter into an Escrow Agreement Relating to Equipment Subject to Leasing Schedule #280-0002380-001 (the "Escrow Agreement") among Lessee, Siemens Public, Inc. and the escrow agent named therein, a copy of which document is attached hereto as **Exhibit C**; and

THEREFORE, BE IT RESOLVED UPON THE MOTION OF ALDERMAN  
\_\_\_\_\_ BY THE GOVERNING BODY THAT:

1. Lessee shall acquire the Equipment.
2. The Energy Savings Contract, the Lease, as incorporating the terms and conditions of the Agreement, and the Escrow Agreement are hereby approved, and Lessee's Mayor or any other representative of the Lessee designated by any of them in writing is hereby authorized to execute (i) the Energy Savings Contract; (ii) the Lease, as incorporating the terms and conditions of the Agreement, and (iii) the Escrow Agreement, all substantially in the forms attached hereto with such changes or amendments (substantial or otherwise) as are approved by the officer of Lessee executing those documents, such approval to be conclusively evidenced by that officer's execution of those documents, and (iv) all other documents, instruments, certificates and agreements related to the Energy Services Agreement, the Escrow Agreement and the Lease.

The foregoing Resolution was seconded by Alderman \_\_\_\_\_ and brought to a vote as follows:

Alderman Greg Guy	voted:
Alderman Lorine Cady	voted:
Alderman Ronnie Hale	voted:
Alderman George Payne	voted:
Alderman William Brooks	voted:
Alderman Ricky Jobs	voted:
Alderman Randall Huling	voted:

Having received a majority of affirmative votes, the Mayor declared that the Resolution was carried and adopted as set forth above on this the 7<sup>th</sup> day of August, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

**BY:** \_\_\_\_\_  
**CHARLES G. DAVIS, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**SHEILA HEATH, CITY CLERK**

**(S E A L)**



## Fire Prevention Permit Fees

<b>Operational Permit Fee</b>	
This permit allows the applicant to conduct an operation or business as listed below. The permit is applicable for a prescribed period or until renewed or revoked.	
	<b>Permit Fee</b>
<b>Amusement Buildings</b>	\$ 150.00
<b>Aviation Facilities</b>	\$ 50.00
<b>Battery Systems</b>	\$ 50.00
<b>Burn Permits</b>	\$ 150.00
<b>Carnivals and Fairs</b> (see special events)	see special events
<b>Cellulose Nitrate Film</b>	\$ 50.00
<b>Combustible Dust Producing Operations</b>	\$ 50.00
<b>Combustible Fibers</b>	\$ 50.00
<b>Covered Mall Buildings</b>	\$ 150.00
<b>Cutting and Welding</b>	\$ 50.00
<b>Dry Cleaning Plants</b>	\$ 50.00
<b>Fire Hydrants and Valves</b>	No Fee
<b>Floor Finishing</b>	\$ 50.00
<b>Fruit and Crop Ripening</b>	\$ 50.00
<b>Fumigation and Thermal Insecticidal Fogging</b>	\$ 50.00
<b>Hazardous Materials</b> Aerosol Products, Compressed Gases, Cryogenic Fluids, Explosives, Flammable & Combustible Liquids, LP Gas, Magnesium, Flammable Spraying or Dipping, Hazardous Waste Handling	\$ 300.00
<b>HPM Facilities</b>	\$ 300.00
<b>High Piled Storage</b>	\$ 50.00
<b>Hot Work Operations</b>	\$ 50.00
<b>Industrial Ovens</b>	\$ 50.00
<b>Liquid or Gas Fueled Vehicle or Equipment in Assembly Bldg</b>	\$ 300.00
<b>Lumber Yards and Woodworking Plants</b>	\$ 50.00
<b>Miscellaneous Combustible Storage</b>	\$ 50.00
<b>Motor Fuel Dispensing Facility</b>	\$ 300.00
<b>Open Flames, Torches, and Candles</b>	\$ 50.00
<b>Places of Assembly</b>	\$ 50.00
<b>Private Fire Hydrants</b>	No Fee
<b>Pyrotechnique Special Effects Material</b>	\$ 400.00
<b>Pyroxylin Plastics</b>	\$ 50.00
<b>Refrigeration Equipment</b>	\$ 50.00
<b>Repair Garage</b>	\$ 50.00
<b>Rooftop Heliports</b>	\$ 50.00
<b>Special Events</b> * see below	see below
<b>*Minor Special Event</b> - Block party, parade, fundraising event, etc., which requires road closure or restricts general use of a public road.	No Fee
<b>*Major Special Event</b> - expected attendance of 1,000 to 4,999 persons daily which may include Flea Markets, Trade Shows, Expos, and large temporary structures for major sales events.	150.00 per day

## Fire Prevention Permit Fees

<p><b>*Mega Special Event</b> - expected attendance of 5,000 + infrequently occurring event outside the normal use of the facility, building, or grounds, such as, Carnivals, Fairs, Amusement, or Entertainment.</p>	<p><b>1 up to 99 occupied spaces - \$1500.00 per operational day.</b> ..... <b>100 or more occupied spaces - \$3000.00 per operational day.</b></p>
<b>Storage of Scrap Tires and Tire Byproducts</b>	\$ 150.00
<b>Temporary Tents and Canopies (100 sq ft and greater)</b>	\$ 100.00
<b>Tire Rebuilding Plants</b>	\$ 150.00
<b>Waste Handling</b>	\$ 300.00
<b>Wood Products</b>	\$ 50.00
<b>NOTE : All City sponsored events are exempt from Permit Fees</b>	<b>No Fee</b>
<b>Construction Permit Fee</b>	
For alteration to or addition of the following	Permit Fee
<b>Automatic Fire Extinguishing Systems</b>	\$ 150.00
<b>Fire Alarm Detection Systems and Related Equipment</b>	\$ 150.00
<b>Fire Pumps and Related Equipment</b>	\$ 150.00
<b>Hazardous Materials</b> <small>Aerosol Products, Compressed Gases, Cryogenic Fluids, Explosives, Flammable and Combustible Liquids, LP Gas, Magnesium, Flammable Spraying or Dipping, Hazardous Waste Handling</small>	\$ 300.00
<b>Industrial Ovens</b>	\$ 50.00
<b>Private Fire Hydrants</b>	<b>No Fee</b>
<b>Temporary Tents and Canopies (100 sq ft and greater)</b>	\$ 100.00
<b>Inspection Penalty Fees for Failure to Comply</b>	
These fees shall begin upon completion of a 30 day follow-up inspection where identified violations have not been corrected. Additional fees shall be assessed for every 7 day period until violations are corrected.	Penalty Fee
<b>Assembly Occupancy</b> less than 100 occupants	\$ 250.00
<b>Assembly Occupancy</b> more than 100 occupants	\$ 750.00
<b>Business Occupancy</b>	\$ 100.00
<b>Educational Occupancy</b>	\$ 250.00
<b>Factory &amp; Industrial Occupancy</b>	\$ 500.00
<b>High Hazard Occupancy</b>	\$ 1,000.00
<b>Institutional Occupancy</b>	\$ 1,000.00
<b>Mercantile Occupancy</b>	\$ 250.00
<b>Residential R1, R2, R3, R4 Occupancy</b>	\$ 500.00
<b>Storage Occupancy</b>	\$ 100.00
<b>Utility &amp; Miscellaneous Occupancy</b>	\$ 100.00

**ORDER ADOPTING REAPPORTIONMENT OF CITY WARDS OF THE CITY OF SOUTHAVEN, MISSISSIPPI, SUBJECT TO SECTION 5 OF THE VOTING RIGHTS ACT OF 1965, AS AMENDED, 42 U.S.C. §1973C**

WHEREAS, under applicable Mississippi law, Miss. Code Ann. § 21-8-7, the Board of Aldermen of the City of Southaven, Mississippi, is authorized to fix and alter the ward boundaries of the City of Southaven, Mississippi;

WHEREAS, the data from the 2010 Census as provided to the City of Southaven, Mississippi, indicated that the variances among the wards of the City of Southaven, Mississippi, were not within the acceptable norm of the one-man, one-vote doctrine of the Equal Protection Clause of the Fourteenth Amendment to the United States Constitution;

WHEREAS, the Board of Aldermen of the City of Southaven, Mississippi, has utilized the services of consultants to assist in the redistricting process;

WHEREAS, the Board of Aldermen of the City of Southaven, Mississippi, has worked to develop a plan for the redistricting of the city wards;

WHEREAS, the Board of Aldermen of the City of Southaven, Mississippi, held a public hearing on August 21, 2012 to afford the members of the public an opportunity to provide input into the redistricting process;

WHEREAS, on September 4, 2012, the Board of Alderman of the City of Southaven, Mississippi, considered the proposed draft plans;

WHEREAS, the Board of Aldermen of the City of Southaven, Mississippi, determines that the redistricting plan designated "Proposed Plan Alternative 2" as described at the August 21, 2012 public hearing satisfies the redistricting criteria and should be adopted.

IT IS, THEREFORE, ORDERED by the Board of Aldermen of the City of Southaven, Mississippi, as follows:

1. That, subject to the provisions stated below, the Board of Aldermen of the City of Southaven, Mississippi, is hereby divided into six wards with the boundaries of the wards set forth in a map which accurately depicts the wards boundaries, attached hereto and incorporated herein by reference as Exhibit "A".

2. That the pertinent 2010 Census population variance and population of the wards described in the above-referenced map are contained in the table attached hereto as Exhibit "B" and incorporated herein by reference;

3. That in the event of a conflict between the legal descriptions which are exhibits to this Board Order and the map which is an exhibit to this Board Order, the map shall control;

4. That in the event this Order shall take effect and be in force upon the satisfaction of the condition subsequent specified below, this Order shall be subject to the following provision: All incumbent Aldermen/Alderwomen shall continue to serve until their present terms of office have expired and their successors have been duly qualified, elected, and take office;

5. That in the event this Order shall take effect and be in force upon the satisfaction of the condition subsequent specified below, the authorized officials shall proceed to revise the registration books and poll books of the City of Southaven, Mississippi, in such a manner as is necessary to change the registration books of the voting precincts affected thereby to be so changed as to conform to the change of wards and precincts and to contain only the names of qualified electors in the voting precincts as made by the change of boundaries and to reassign those registered voters whose wards

are changed by this Order and to notify such persons by United States Mail, postage pre-paid, of their reassignment as soon as practicable when accomplished;

6. That in the event this Order shall take effect and be in force upon the satisfaction of the condition subsequent specified below, this Order shall supersede any prior orders of the Board of Aldermen of the City of Southaven, Mississippi, regulating the boundaries of wards;

7. That this Order shall take effect and be in force only when it is finally effectuated under Section 5 of the Voting Rights Act of 1965, as amended, 42 U.S.C. §1973c;

8. That the consultant for the City of Southaven, Mississippi, is hereby authorized and directed to seek and obtain Section 5 preclearance of this Order; and

9. That, pursuant to Miss. Code Ann. § 21-13-11, as amended, upon preclearance, the city clerk is hereby authorized and directed to publish this Order and all its exhibits once each week for three (3) consecutive weeks in *The Desoto Times*, a newspaper having a general circulation in Southaven, Mississippi.

SO ORDERED, this the 4<sup>th</sup> day of September 2012, upon motion of \_\_\_\_\_, seconded by \_\_\_\_\_, and the following roll call

vote:

Alderman Greg Guy	voted:
Alderman Lorine Cady	voted:
Alderman Ronnie Hale	voted:
Alderman George Payne	voted:
Alderman William Brooks	voted:
Alderman Ricky Jobs	voted:
Alderman Randall Huling	voted:

Having received a majority of affirmative votes, the Mayor declared that the Resolution was carried and adopted as set forth above on this the 4<sup>th</sup> day of September, 2012.

**CITY OF SOUTHAVEN, MISSISSIPPI**

**BY: \_\_\_\_\_**  
**CHARLES G. DAVIS, MAYOR**

**ATTEST:**

\_\_\_\_\_  
**SHEILA HEATH, CITY CLERK**

**(S E A L)**