

**MINUTES OF THE REGULAR MEETING
OF FEBRUARY 02, 2010
OF THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF SOUTHAVEN, MISSISSIPPI**

BE IT REMEMBERED that the Mayor and Board of Aldermen of the City of Southaven, Mississippi met in Regular Session on the 2nd day of February, 2010 at six o'clock (6:00) p.m. at City Hall.

Present were:

Charles G. Davis	Mayor
Greg Guy	Alderman, at Large
Lorine Cady	Alderman, Ward 1
Ronnie Hale	Alderman, Ward 2
George Payne	Alderman, Ward 3
William Brooks	Alderman, Ward 4
Ricky Jobes	Alderman, Ward 5
Randall Huling	Alderman, Ward 6

Also present were Chris Wilson, City Administrator, Sheila Heath, City Clerk, Whitney Choat, City Planner and Bradley Wallace, Director of Operations. Approximately twenty (20) other people were present.

Mayor Davis called the meeting to order. Alderman Cady led in prayer. Following the Pledge of Allegiance led by Alderman Hale, a motion was made by Alderman Cady to approve the minutes of January 19, 2010 with any corrections, deletions, or additions necessary. Motion seconded by Alderman Guy. Motion was put to a vote and passed unanimously.

CITIZEN'S AGENDA

Sherry Bennett, Director of Arts and Cultural Affairs, presented the first of future departmental reports. She informed that the Arts and Cultural Affairs Department includes the Forever Young Seniors Group, the Hometown Retirement Program, and Southaven's Orchestra and Jazz Band. She reported on various activities done by the groups and on some grants she has been able to acquire. She thanked the Board for their support and invited them to come by her office and see the activities in person. Alderman Guy thanked her for all she does. He stated that he thinks it is a wonderful program.

EMERGENCY PURCHASE

Mayor Davis reported that we have a repair on the May Blvd. fuel tanks. The cost of the repair is \$7,488.51 Alderman Guy made the motion to approve the emergency purchase and enter them into these minutes. Motion was seconded by Alderman Cady. Motion was put to a vote and passed unanimously.

BOND ISSUANCE

RESOLUTION TO DIRECT THE SALE OF BONDS

Demery Grubbs stated that he wanted to congratulate the City for maintaining a AA bond rating. He also stated that Duncan-Williams, Inc. was the best bid with the interest rate of 3.594086 %.

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF BONDS

The Mayor and Board of Aldermen (the "Governing Body") again took up for consideration the matter of the sale of the General Obligation Bonds, Series 2010, of the City of Southaven, Mississippi, in the principal amount of Six Million Dollars (\$6,000,000) (the "Bonds") heretofore authorized by the Governing Body. The Clerk reported that pursuant to that certain resolution adopted by the Governing Body on January 19, 2010, she did cause to be published in *The DeSoto Times-Tribune*, a newspaper having general circulation in the City of Southaven, Mississippi, a Notice of Bond Sale in the form set forth in said resolution, stating that sealed proposals for the purchase of the Bonds would be received by the Governing Body at the Office of the City Clerk of the City of Southaven, in the City Hall in Southaven, Mississippi, until the hour of 4:00 o'clock p.m. Central Standard Time on Tuesday, the 2nd day of February, 2010, and the Clerk presented to the Governing Body the newspaper publisher's affidavit making proof of publication of said notice; and that at the hour of 4:00 o'clock p.m. Central Standard Time on Tuesday, the 2nd day of February, 2010, and pursuant to the Notice of Bond Sale, there had been filed with the Clerk, at or prior to said hour on said date, Five (5) sealed proposal(s) for the purchase of the Bonds of the City of Southaven, Mississippi. Thereupon, the Clerk proceeded to open the Five (5) sealed proposal(s) for the Bonds and to read the same aloud in the presence and hearing of the Governing Body and of the bidders and other persons assembled, which are summarized as follows:

<u>NAME OF BIDDER FOR THE BONDS</u>	<u>GROSS AMOUNT OF INTEREST</u>	<u>AVERAGE INTEREST RATE</u>
Duncan Williams	\$2,573,725.00	3.594086
Stephens Inc	\$2,680,546.75	3.743258
Morgan Keegan, Inc	\$2,675,918.75	3.736795
FTN Financial Capital Mkt	\$2,845,208.75	3.973200
Crews & Associates	\$2,847,302.85	3.976125

Thereafter, at the scheduled meeting of the Governing Body at 6:00 p.m. Central Standard Time at the City Hall, the Clerk then and there presented said proposals to the Governing Body for discussion. Following the reading of the proposals, the Governing Body proceeded to consider them for the purpose of determining which was the best and most advantageous bid that might have been submitted. Whereupon, Alderman Guy offered and moved the adoption of the following resolution:

RESOLUTION TO DIRECT THE SALE AND AWARD OF GENERAL OBLIGATION BONDS, SERIES 2010 OF THE CITY OF SOUTHAVEN MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) FOR THE CITY, TO BE DATED FEBRUARY 1, 2010.

WHEREAS, the Mayor and Board of Aldermen of the City of Southaven, Mississippi, (the "Governing Body" of the "City") on the 19th day of January, 2010, did adopt a certain resolution directing that General Obligation Bonds, Series 2010, in the principal amount of Six Million Dollars (\$6,000,000) for the City to be offered for sale on sealed bids to be received by the Governing Body at the office of the City Clerk of the City in the City Hall, in Southaven, Mississippi, until the hour of 4:00 o'clock p.m. Central Standard Time on Tuesday, the 2nd day of February, 2010; and

WHEREAS, as directed by the said resolution and as required by Section 31-19-25, Mississippi Code of 1972, as amended, the Clerk did give notice of the sale of the Bonds by publication of Notice of Bond Sale, in the form set forth in said resolution in *The DeSoto Times-Tribune*, a newspaper published and having general circulation in the City, which notice was published in said newspaper at least two (2) times, on January 21 and 28, 2010, the first publication having been made at least ten (10) days preceding the 2nd day of February, 2010, as evidenced by the newspaper publisher's proof of publication thereof heretofore presented to the Governing Body and filed with the Clerk of the City; and

WHEREAS, the Governing Body did cause to be delivered to approximately twenty-five (25) commercial and investment banking firms in Mississippi, Tennessee, Arkansas and elsewhere notice of the sale of the Bonds by mailing to them the Preliminary Official Statement regarding the Bonds to which was attached a Notice of Bond Sale in the form set forth in said resolution; and

WHEREAS, the Governing Body did receive the bids in the Clerk's office at the City Hall, in Southaven, Mississippi, at or before the hour of 4:00 o'clock p.m. Central Standard Time on Tuesday, the 2nd day of February, 2010; and

WHEREAS, at which time and place Five (5) sealed proposal(s) for the purchase of the Bonds were received; and

WHEREAS, after examination and consideration of the bids, the Governing Body does now find and determine that the best bid made for the Bonds which contained the lowest net interest cost was made by Duncan Williams, Inc, and that said proposal to purchase the Bonds was accompanied by a check payable to the City of Southaven, Mississippi in an amount of One Hundred Twenty Thousand Dollars (\$120,000), issued or certified by a bank located in the State of Mississippi, as a guaranty that the bidder would carry out its contract and purchase the Bonds if its bid be accepted; and

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF SOUTHAVEN, MISSISSIPPI, AS FOLLOWS:

SECTION 1. That the Six Million Dollars (\$6,000,000) General Obligation Bonds, Series 2010, of the City of Southaven, Mississippi, bearing date of February 1, 2010, shall be and the same are hereby awarded and sold to Duncan-Williams, Inc., in accordance with the offer submitted to the Governing Body in words and figures as follows:

[Entire Winning Bid is inserted following this page.]

SECTION 2. That the Mayor and Clerk of the City be and they are hereby authorized and directed to endorse upon the aforesaid offer a suitable notation in evidence of the acceptance thereof for and on behalf of the City.

SECTION 3. That the good faith check filed by the successful bidder be retained by the City as a guaranty that such bidder will carry out the contract and purchase the Bonds, provided, that if such successful bidder fails to purchase the Bonds pursuant to its bid and contract, the amount of such good faith check for the Bonds of the City shall be retained by the City and shall be paid into the treasury of the City as liquidated damages for such failure.

SECTION 4. That the Governing Body of the City hereafter, by proper resolution, shall provide for the preparation, execution, and delivery of the Bonds in accordance with the terms of the aforesaid contract.

SECTION 5. That the Clerk shall return each good faith check to each unsuccessful bidder upon receiving an executed receipt of such bidders acknowledging receipt of the return of each good faith check.

Alderman Huling seconded the motion to adopt the foregoing resolution after the same had been read and considered section by section, and, being put to a roll call vote, the result was as follows:

Alderman Greg Guy	voted: YEA
Alderman Lorine Cady	voted: YEA
Alderman Ronnie Hale	voted: YEA
Alderman William Brooks	voted: YEA
Alderman George Payne	voted: YEA
Alderman Ricky Jobs	voted: YEA
Alderman Randall T. Huling, Jr.	voted: YEA

The motion having received the affirmative vote of a majority of all of the Aldermen present, the Mayor declared the motion carried and the Resolution adopted on this the 2nd day of February, 2010.

RESOLUTION TO DIRECT THE SALE OF BONDS

THEREFORE, The Mayor and Board of Aldermen of the City of Southaven, Mississippi, took up for consideration the matter of the issuance of General Obligation Bonds, Series 2010, of the City of Southaven, Mississippi, in the principal amount of Six Million Dollars (\$6,000,000). After a discussion of the subject, Alderman Guy offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION BONDS, SERIES 2010 OF THE CITY OF SOUTHAVEN, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF SIX MILLION DOLLARS (\$6,000,000) TO RAISE MONEY FOR THE PURPOSE OF (I) ERECTING OR PURCHASING WATERWORKS, GAS, ELECTRIC AND OTHER PUBLIC UTILITY PLANTS OR DISTRIBUTION SYSTEMS OR FRANCHISES, AND REPAIRING, IMPROVING AND EXTENDING THE SAME; (II) ESTABLISHING SANITARY, STORM, DRAINAGE OR SEWERAGE

SYSTEMS, AND REPAIRING, IMPROVING AND EXTENDING THE SAME; (III) CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR; (IV) PURCHASING LAND FOR PARKS AND PUBLIC PLAYGROUNDS, AND IMPROVING, EQUIPPING AND ADORNING THE SAME, AND OTHER RECREATIONAL FACILITIES; (V) CONSTRUCTING BRIDGES AND CULVERTS; AND OTHER RELATED IMPROVEMENTS WITHIN THE CITY.

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

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

"**Act**" shall mean Section 21-33-301 *et seq.*, Mississippi Code of 1972, as amended.

"**Bond**" or "**Bonds**" shall mean the Bonds issued pursuant to this resolution.

"**Bond Counsel**" shall mean the law firm of Harris Jernigan & Geno, PLLC, Ridgeland, Mississippi.

"**Bond Resolution**" shall mean this resolution.

"**Bond Year**" shall mean the period commencing on the day and month of the date of the Bond of any year and ending on the last day of the month preceding such day and month of the following year.

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

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

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

"**EMMA**" shall mean the Electronic Municipal Market Access System or any similar system that is acceptable to the United States Securities & Exchange Commission.

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

"**Mayor**" shall mean the Mayor of the City.

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

"**Official Statement**" shall mean the Official Statement of the City dated February 2, 2010.

"**Paying Agent**" shall mean any bank, trust company or other institution hereafter designated by the Governing Body to make payments of the principal of

and interest on the Bonds, and to serve as registrar and transfer agent for the registration of owners of the Bonds, and the authentication agent to authenticate the initial delivery or reissuance of the Bonds and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

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

"Preliminary Official Statement" shall mean the Preliminary Official Statement of the City dated January 19, 2010, and attached hereto as **Exhibit A**.

"Project" shall mean providing funds to pay for the cost of (i) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (ii) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (iii) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (iv) purchasing land for parks and public playgrounds, and improving, equipping and adorning the same, and other recreational facilities; (v) constructing bridges and culverts; and other related improvements within the City; and (vi) paying the costs of issuance of the Bonds.

"Purchaser" shall mean the successful bidder for the Bonds.

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

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

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

"Subsection 148(f)" shall mean Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" shall mean any regulations promulgated from time to time pursuant to Subsection 148(f) of the Code.

"2010 Bond Fund" shall mean the fund of the City provided for in Section 14 hereof.

"2010 Construction Fund" shall mean the fund of the City created under Section 13 hereof into which the principal portion of the proceeds of the Bonds shall be deposited.

(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 the Bonds for the purpose of providing the necessary funds to pay the cost of the Project. It is in the public interest to issue the Bonds for such purposes and the public convenience and necessity requires that the Bonds be issued for such purposes.

3. The estimated costs of the Project and the cost of issuance of the Bonds herein directed to be issued is Six Million Dollars (\$6,000,000).

4. The assessed value of taxable property within the City, according to the last completed assessment for taxation is Four Hundred Fifty-Six Million Six Hundred Fifty-One Thousand Seven Hundred Forty-Eight Dollars (\$456,651,748).; the City has outstanding fixed bonded indebtedness (non-revenue producing debt) subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended, in the amount of Twenty-Eight Million One Hundred Five Thousand (\$28,105,000) and outstanding fixed bonded and floating (revenue producing debt) indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972 (which amount includes the fixed bonded indebtedness set forth above subject to the 15% debt limit), in the amount of Thirty-Eight Million Seven Hundred Thirty Thousand (\$38,730,000). The issuance of the Bonds will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City.

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

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

7. The City is a governmental unit with general taxing power, no obligation which is a part of the issue of the Bonds is a private activity bond and 95 percent or more of the net proceeds of the Bonds are to be used for local governmental activities of the City.

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

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

SECTION 1. Contract with Purchasers. In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, 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 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. Authorization. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of Six Million Dollars (\$6,000,000) to raise money for the purpose of providing funds to pay for the cost of the Project.

SECTION 3. Description of Bonds. (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 Bonds shall be registered as to both principal and interest; shall be dated February 1, 2010; shall be issued or reissued in 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 hereinafter specified, which interest shall be payable commencing on February 1, 2011 and semiannually on each February 1 and August 1 of each year thereafter; and shall mature and become due and payable, with option of prior payment as set forth below, on February 1 in the years and in the principal amounts as follows:

<u>YEAR</u> <u>(Feb. 1 Maturity)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	190,000	4.00
2012	200,000	3.75
2013	210,000	3.50
2014	220,000	3.50
2015	230,000	3.50
2016	240,000	3.50
2017	250,000	3.375
2018	260,000	3.25
2019	270,000	3.125
2020	285,000	3.25
2021	295,000	3.375
2022	310,000	3.375
2023	325,000	3.50
2024	340,000	3.50
2025	355,000	3.50
2026	370,000	3.625
2027	385,000	3.625
2028	405,000	3.75
2029	420,000	3.75
2030	440,000	4.00

(c) Bonds maturing on February 1, 2021, and thereafter, are subject to redemption prior to their respective maturities at the election of the City on February 1, 2020, or on the first day of any month thereafter, either as a whole or in part (in inverse order of maturity and by lot if less than all of the maturity is to be redeemed), upon giving not less than thirty (30) days prior written notice, at the principal amount thereof plus accrued and unpaid interest to the date of redemption. Notice of the call for redemption shall be mailed to all Registered Owners of the Bonds not less than thirty (30) days prior to the date of redemption. The Bonds shall cease to bear interest from and after the date of redemption as set forth in the Notice of Redemption.

SECTION 4. Execution and Delivery. (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 book maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse side of each of the Bonds, over the Clerk's facsimile signature and facsimile seal, the certificate in substantially the form set out in Section 6.

(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 facsimile 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 Paying Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the City whose signature or a facsimile thereof

appearing 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 re-issuance.

(c) The Bonds shall be delivered to the Purchaser 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, which opinion shall be imprinted on the reverse of each of the Bonds.

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

- (i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and
- (ii) an authorization to the Paying Agent, signed by the Mayor, to authenticate and deliver the Bonds to the Purchaser.

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

(f) Certificates, 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 re-issuance needs on the Bonds, may be printed and delivered to the Paying Agent in generally accepted format, and held by the Paying Agent until needed for transfer or re-issuance, whereupon the Paying Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder.

SECTION 5. The Paying Agent, Registrar, Authentication Agent. (a) The Paying Agent for the Bonds, which shall serve as paying agent, registrar, transfer and authentication agent for the Bonds, shall be a Mississippi bank nominated by the Purchaser of the Bonds, and shall be named through further proceedings of this Board .

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

(c) The City shall pay or reimburse the Paying 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 Paying Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Paying Agent, shall be made by the City on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

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

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

(iii) In the event of a change of the Paying Agent, the predecessor Paying Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Paying Agent, and the successor Paying Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all reasonable fees, advances and expenses of the retiring or removed Paying Agent shall be fully paid. Every predecessor Paying Agent shall deliver to its successor Paying Agent all records of account, registration, records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Paying Agent.

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

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

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

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

(e) Any corporation or association into which a Paying Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges and other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent shall be satisfactory to the City and eligible under the provisions of Section 5(d)(iv) hereof.

SECTION 6. Bond Form. The Bonds shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution:

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

THE CITY OF SOUTHAVEN, MISSISSIPPI

**GENERAL OBLIGATION BOND
SERIES 2010**

NO. _____ \$ _____

<u>Rate of Interest</u>	<u>Maturity</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____ %		February 1, 2010	

Registered Owner:

Principal Amount: _____ **DOLLARS**

The City of Southaven, Mississippi, located in DeSoto County, 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, the principal amount identified above on the maturity date identified above, upon the presentation and surrender of this bond at the principal office of _____ Bank, _____, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Bonds, Series 2010 of the City (the "Bonds"). 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 Paying Agent, which will also serve as registrar, transfer and authentication agent, for the Bonds, 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, commencing on February 1, 2011, and semiannually on each February 1 and

August 1 of each year thereafter, until said principal sum is paid, to the registered owner hereof whose name shall appear in the registration records of the City maintained by the Paying Agent, as of the 15th day of the calendar month preceding the applicable interest payment date.

Payment of principal of and interest on this bond shall be made by check or draft mailed to such registered owner at the address as it appears on such registration records. The registered owner hereof may change such address by written notice to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the 15th day of the calendar month preceding the applicable principal or interest payment date.

Bonds maturing on February 1, 2021, and thereafter, are subject to redemption prior to their respective maturities at the election of the City on February 1, 2020, or on the first day of any month thereafter, either as a whole or in part (in inverse order of maturity and by lot if less than all of the maturity is to be redeemed), upon giving not less than thirty (30) days prior written notice, at the principal amount thereof plus accrued and unpaid interest to the date of redemption. Notice of the call for redemption shall be mailed to all Registered Owners of the Bonds not less than thirty (30) days prior to the date of redemption. The Bonds shall cease to bear interest from and after the date of redemption as set forth in the Notice of Redemption.

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 Six Million Dollars (\$6,000,000) to raise money for the purpose of providing funds to pay for the cost of (i) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (ii) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (iii) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (iv) purchasing land for parks and public playgrounds, and improving, equipping and adorning the same, and other recreational facilities; (v) constructing bridges and culverts; and other related improvements within the City; and (vi) to pay for the expenses of issuing the Bonds.

This bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-33-301 *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 a resolution adopted February 2, 2010 (the "Bond Resolution").

The Bonds are registered as to both principal and interest, and are to be issued or reissued in 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 Paying Agent, but only in the manner, subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this bond. Upon such transfer or exchange, a new bond or bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The City and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and

neither the City nor the Paying Agent shall be affected by any notice to the contrary.

The 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 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 Paying 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 facsimile seal of the City, which said facsimile signatures said officials adopt as and for their own proper signatures, all as of the 1st day of February, 2010.

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

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Bonds, Series 2010, of the City of Southaven, Mississippi.

As Paying Agent

BY: _____
AUTHORIZED OFFICER

Date of Registration and Authentication: _____

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following 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 book kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of DeSoto County, Mississippi, rendered on the _____ day of February, 2010.

CITY CLERK

(Facsimile 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 as Paying Agent to transfer the said bond on the records kept for registration thereof with full power and substitution in the premises.

Signature Guaranteed:

(Bank, Trust Company or Paying Agent)

(Authorized Officer)

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without any alteration whatever.

Date of Assignment:

**Insert Social Security
Number or Other Tax
Identification Number
of Assignee:**

SECTION 7. Mutilated, Lost or Stolen Bonds. 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 Paying Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the City or Paying Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

SECTION 8. Tax Pledge - General Obligation. 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 adequate and sufficient for the payment of the principal of and the interest on the Bonds and the reasonable and necessary fees and expenses of the Paying Agent. 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 rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue and the reasonable and necessary fees and expenses of the Paying Agent. 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 Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

SECTION 9. Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Paying Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Paying Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Paying Agent, but it shall not be necessary that the same officer sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 10. Registered Owner/Absolute Owner. (a) One (1) Bond registered in the name of the purchaser may be issued in the full amount for each maturity. Ownership of the Bonds may be in the Purchaser until the initial Registered Owner has made timely payment for the Bonds and, upon request of the Purchaser 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 Purchaser in the event timely payment has not been made by the initial Registered Owner.

(b) Except as hereinabove provided, the Person in whose name any 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 herein. 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 11. Transfer and Assignment of Bonds. (a) Each Bond shall be transferrable only in the records of the City, upon surrender thereof at the office of the Paying Agent, together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the City, acting through its Paying 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 Paying Agent shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution and shall be reimbursed by the Registered Owner or Transferee for any tax or governmental charge required in connection with such exchange or transfer but no other charge may be made to the Registered Owner for any exchange or registration of transfer of the Bonds.

SECTION 12. Sale of the Bonds. The Bonds are hereby sold and awarded to Duncan-Williams, Inc. (herein called the "Purchaser") at and for a purchase price equal to \$6,000,000, plus premium in the amount of \$_____ -0-, plus accrued interest on the Bonds from February 1, 2010, to the date of their delivery. The Mayor and City Clerk are hereby authorized and directed to deliver the Bonds to the Purchaser upon payment to the City of the aforesaid purchase price.

SECTION 13. 2010 Construction Fund. The principal proceeds received upon the sale of the Bonds shall be deposited with a qualified depository of the City in a special fund designated the "2010 Construction Fund," which shall be used for payment of all costs of issuance and of constructing and otherwise acquiring the Project. Any amount remaining in the 2010 Construction Fund after completion of construction and acquisition of the Project and payment of all such expenses shall be transferred to the 2010 Bond Fund.

SECTION 14. 2010 Bond Fund. The City shall maintain with a qualified depository of the City a fund designated the "2010 Bond Fund" in the name of the City for the payment of principal of and interest on the Bonds and the payment of paying agents' fees in connection therewith. There shall be deposited into the 2010 Bond Fund as and when received:

1. accrued interest and premium, if any, received upon delivery of the Bonds;
2. the avails of any of the ad valorem taxes levied and collected for payment of the principal and interest on the Bonds;
3. any income received from investment of monies in the 2010 Bond Fund; and
4. any other funds available to the City which may be lawfully used for payment of the principal of and interest on the Bonds, and which may be directed to be deposited into the 2010 Bond Fund, including any balance of Bond proceeds remaining in the 2010 Construction Fund after the purpose for which

such Bonds were issued shall have been accomplished.

SECTION 15. Use of Proceeds. The purpose for which the Bonds will be issued is to provide funds to pay for the cost of (i) erecting or purchasing waterworks, gas, electric and other public utility plants or distribution systems or franchises, and repairing, improving and extending the same; (ii) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; (iii) constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor; (iv) purchasing land for parks and public playgrounds, and improving, equipping and adorning the same, and other recreational facilities; (v) constructing bridges and culverts; and other related improvements within the City; and (vi) to pay for the expenses of issuing the Bonds.

SECTION 16. Approval of Preliminary Official Statement. The Governing Body hereby acknowledges, approves and ratifies the actions heretofore taken by Bond Counsel employed in connection with the preparation and distribution of the Preliminary Official Statement respecting the Bonds and such Preliminary Official Statement is hereby approved by the Governing Body on in the form attached hereto as **Exhibit A** and made a part hereof. The Governing Body hereby authorizes and directs the Mayor to sign and deliver to Bond Counsel and the Purchaser, and the Purchaser to deliver to the purchasers of the Bonds, the Official Statement respecting the Bonds. Such Official Statement shall be in substantially the same form as the aforesaid Preliminary Official Statement, with such changes therein and additions thereto as the Mayor shall determine to be necessary, desirable or appropriate to consummate the sale and issuance of the Bonds, the determination of the definitive form of such Official Statement by the Mayor to be conclusively established by his signature thereon.

SECTION 17. Payment of Bonds. (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 whose name shall appear in the registration records of the City maintained by the Paying Agent as of the Record Date.

(b) Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such 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 to the Registered Owners at the addresses appearing in the registration records of the Paying Agent. Any such address may be changed by written notice from the Registered Owner to the Paying Agent or certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the 15th day of the calendar month preceding the applicable principal or interest payment date to be effective as of such date.

SECTION 18. Validation. The Bonds will be submitted to validation as provided by Section 31-13-1 *et seq.*, Mississippi Code of 1972, as amended, and to that end the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the issuance of the Bonds and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 19. Delay in Delivery. It is specifically provided, notwithstanding the dates set out in this Bond Resolution for the date of the Bonds and the payment dates for principal and interest, that in the event the delivery of the Bonds is delayed by a contest of the validation of the Bonds or

otherwise and the initial Purchaser shall decline to take delivery of the Bonds, then the Bonds may be re-offered for sale if such validation contest is ruled in favor of issuance of the Bonds. In such event, all principal maturities may be adjusted so that such maturities will fall due in the same amounts and intervals as herein provided, but beginning one (1) year from the date of sale thereof, and continuing through the twentieth (20th) year from such actual date of the Bonds. The interest payments may also be adjusted accordingly, with interest payments due semiannually, commencing not more than one (1) year from such actual date of the Bonds. After the validation of the Bonds, no amendment, revision or supplement contemplated by this Section shall be cause for the re-submission of the proceedings for the issuance of the Bonds, as amended, revised or supplemented, to any further validation proceedings, it being the intent of this Bond Resolution that any such amendments, revisions or supplements be covered by the initial validation proceeding.

SECTION 20. Termination of Bond Resolution, Defeasance. (a) If the City shall pay or cause to be paid to the Registered Owners of the Bonds the principal of and interest to become due with respect thereto at the times and in the manner stipulated therein and herein, and if the City shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Bond Resolution expressed as to be kept, performed and observed by it or on its part and shall pay or cause to be paid to the Paying Agent all sums of money due or to become due according to the provisions hereof, then the rights of the Registered Owners under the Bond Resolution shall cease, terminate and be void, and thereupon the lien of this Bond Resolution shall be cancelled and discharged.

(b) Bonds for the payment or redemption of which sufficient moneys shall have been deposited with the Paying Agent (whether upon or prior to the maturity or the redemption date of such Bonds) with irrevocable instructions to apply such funds to such payment or redemption shall be deemed to be paid within the meaning of this Section 20; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given to the Registered Owners of all Bonds then outstanding as provided herein.

(c) The Bonds, or any of the Bonds, shall be deemed to be paid within the meaning of this Section 20 and for all purposes of this Bond Resolution when (i) payment of the principal of such Bonds, plus accrued and unpaid interest thereon to the due date thereof (whether such due date is by reason of maturity or upon redemption as provided herein) either (1) shall have been made or caused to be made in accordance with the terms thereof or (2) shall have been provided for by irrevocably depositing with the Paying Agent and irrevocably setting aside exclusively for such payment (a) cash in an amount sufficient to make all payments specified above, or (b) direct obligations of the United States of America, maturing on or before the date or dates when the payments specified above shall become due, the principal amount of which and the interest thereon, when due, is or will be, in the aggregate, sufficient to make all such payments, or (c) any combination of cash and such obligations; and (ii) all necessary and proper fees, compensation and expenses of any Paying Agent pertaining to the Bonds with respect to which such deposit is made shall have been paid or the payment thereof provided for. At such time as the Bonds shall be deemed to be paid hereunder, such Bond shall no longer be secured by or entitled to the benefits of this Bond Resolution.

SECTION 21. Arbitrage Covenants; Rebate. (a) The City covenants and certifies to and for the benefit of the Registered Owners of the Bonds that it will neither take any action or omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Bonds, including amounts treated as proceeds, if any, which will cause the Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Code, and any

regulations thereunder as such may be applicable to the Bonds, at the time of such action, investment or use.

(b) (i) The City shall take all actions necessary in order to comply with the requirements of paragraphs (2) and (3) of Subsection 148(f) of the Code in order that none of the Bonds shall be treated as an arbitrage bond pursuant to paragraph (1) of Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States in accordance with and within the time limits prescribed in Subsection 148(f) and the Subsection 148(f) Regulations, the making of any and all calculations, computations and filings required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations.

(ii) In order to effectuate the foregoing covenants, the City hereby covenants and certifies that: (A) prior to delivery of the Bonds, it shall have received written instructions from nationally recognized Bond Counsel with respect to specific actions which will, under Subsection 148(f) and such regulations as may have been promulgated prior to delivery of the Bonds, assure compliance with such covenants; and (B) the City shall comply with such instructions until the City shall have received from nationally recognized bond counsel written advice that continued compliance with such instructions is not necessary in order to avoid an adverse effect on the tax-exempt status of the Bonds or alternative written instructions with respect to certain actions which will assure compliance with the covenants set forth above, in which event the City shall thereafter comply with all such alternative instructions.

(iii) Based upon representations of the City set forth in Section 25 hereof, the Bonds are exempt from the Rebate Requirements set forth in Section 148(f) of the Code. In the event those representations are not true for any reason, the City shall establish a separate and special account of the City to be designated the "Bond Rebate Account" (the "Rebate Account"), into which the City shall deposit: on or before the 30th day following each Bond Year, an amount equal to the excess of all earnings on all nonpurpose investments (within the meaning of Subsection 148(f)) over the amount which would have been earned if such nonpurpose investments had been invested at a rate equal to the yield [computed in accordance with Subsection 148(f)] on the Bonds which amounts shall be credited to a fund designated the "Series 2010 Excess Income Fund" (the "Excess Income Fund"); and all amounts earned on amounts in the Rebate Account, which amounts shall be credited to a fund designated the "Series 2010 Rebate Account Earnings Fund." Amounts in the Rebate Account shall be used solely and only to make payments of rebates to the United States as required pursuant to Subsection 148(f), provided that, if at any time the amount in the Rebate Account exceeds the amount which, together with all amounts previously paid to the United States with respect to the Bonds pursuant to Subsection 148(f), will equal the amount which would be required to be rebated to the United States as a result of earnings on nonpurpose investments received during the period beginning on the date of delivery of the Bonds and ending on the date of computation, the City may, in its discretion, withdraw such excess from the Rebate Account and deposit the amount withdrawn into the Bond Fund or, if all principal of and interest on the Bonds shall have been paid in full, and all rebates to the United States payable pursuant to Subsection 148(f) shall have been paid in full, the City may use the amount withdrawn for any purpose permitted under the applicable laws of the State of Mississippi.

(c) The City shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Bonds to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or

indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

(d) The City shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Bonds in a manner or for a price which would cause any of the Bonds to be or become an arbitrage bond, within the meaning of Section 148 of the Code and all regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price".

(e) The Mayor is hereby authorized to execute a "nonarbitrage and federal tax certificate" in connection with the sale and delivery of the Bonds, setting forth the reasonable expectations of the City with respect to the investment and use of proceeds of the Bonds and also setting forth certain covenants, stipulations and certifications with respect to the investment and expenditures of the proceeds of the Bonds, and the City shall comply with all certifications, stipulations and covenants set forth in such certificate.

SECTION 22. Bond Covenants. (a) The Bonds are not private activity bonds within the meaning of Section 141 of the Code.

(b) No more than 10% of the bond proceeds will be used (within the meaning of Section 141 of the Code), directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person) carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(c) No more than 10% of any property with respect to which all or any part of the bond proceeds will be used (within the meaning of Section 141 of the Code), directly or indirectly, will be used in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person), other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(d) None of the bond proceeds will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to the governmental use (within the meaning of Section 141 of the Code) of such bond proceeds.

(e) None of the proceeds of the Bonds will be used to make or finance loans for persons other than governmental units.

(f) In no event will the payment of the principal of or the interest on the Bonds be (under the terms of the Bond or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in the property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the City) in respect of property or borrowed money used or to be used for a private business use.

(g) The City covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the City, which (1) were or are

to be sold at substantially the same time as the Bonds, (2) were or are to be sold at substantially the same interest rate as the interest rate of the Bonds, (3) were or are to be sold pursuant to a common plan of marketing as the marketing plan for the Bonds, and (4) are payable directly or indirectly by the City or from the source from which the Bonds are payable. The City covenants and certifies that there are no additional facts or circumstances which may further evidence that the Bonds are part of any other issue of obligations.

(h) The City covenants and certifies that no payment of principal of or interest on the Bonds is or will be guaranteed (in whole or in part, directly or indirectly) by the United States, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States. The City represents, warrants and covenants that none of the bond proceeds will be: (a) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States; or (b) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation other than: (i) the investment of the bond proceeds for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Bonds are being issued; (ii) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (iii) investments of a reserve which meets the requirements of Subsection 149(d) of the Code; (iv) investments in bonds issued by the United States Treasury; (v) or other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

(i) The City covenants and certifies that, notwithstanding any provision of this Bond Resolution or the rights of the City hereunder, the City will not take or permit to be taken on its behalf any action which would impair the exemption of interest on the Bonds from federal income taxation, and it will take such reasonable action as may be necessary to continue such exemption, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exemption.

SECTION 23. Continuing Reporting under Rule 15c2-12. 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, that it will provide certain updated financial information and operating data annually, and timely notice of specified material events, to EMMA. This information will be available to securities brokers and others who subscribe to receive the information from the vendors.

The City will provide certain updated financial information and operating data to certain information vendors annually. 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 used in connection with marketing the Bonds under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION," "DEBT INFORMATION" and "FINANCIAL INFORMATION" and other financial information set forth in APPENDIX C of the Official Statement. The City will update and provide this information within six (6) months after the end of each fiscal year of the City ending in or after fiscal year 2010. The City will provide the updated information to EMMA, or to any state information depository ("SID") that is designated by the State and approved by the staff of the United States Securities and Exchange Commission (the "SEC").

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. 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 April 1 in each year, unless the City changes its fiscal year. If the City changes its fiscal year, it will notify either EMMA or the Municipal Securities Rulemaking Board ("MSRB") and any SID of the change.

Anyone requesting information under the continuing disclosure requirements of Rule 15c2-12, as amended, should contact the City Clerk, City Hall, City of Southaven, Mississippi, 8710 Northwest Drive, Post Office Box 425, Southaven, Mississippi 38671, Telephone: (662) 393-3931.

The City will also provide timely notices of certain events to certain information vendors. The City will provide notice of any of the following events with respect to the Bonds, if such event is material to a decision to purchase or sell Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes affecting the Bonds. 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 the second, third and fourth paragraphs of this Section. The City will provide each notice described in this paragraph to any SID and to either EMMA or the MSRB.

The City has agreed to provide the foregoing information to either EMMA or the MSRB, and any SID. The information will be available to holders of Bonds only if the holders comply with the procedures and pay the charges established by such information vendors or obtain the information through securities brokers who do so.

The City has agreed to update information and to provide notices of material events only as described in this Section 23. 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 SEC

Rule 15c2-12 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 24. Bond Rating. The required documentation and information on the Bonds has been submitted to Standard & Poor's, New York, New York, in order to obtain a rating on the Bonds.

SECTION 25. Rebate. The City reasonably expects that the proceeds of the Bonds will be expended within the next six months and therefore will not be subject to rebate.

SECTION 26. Prohibited Payments. The City covenants that it will make no "Prohibited Payments" as that term is used in the regulations promulgated under the Code.

SECTION 27. Execute Additional Documents and Certificates. The Mayor and Clerk of the City are hereby authorized to execute and deliver on behalf of the City, such documents, certificates and the like, without limitation, as may be required in order to issue and deliver the Bonds.

SECTION 28. Conflicts. 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.

SECTION 29. Section Headings. The section headings contained in the Bond Resolution have been prepared for convenience only and are not part of the Bond Resolution. They shall not be taken as an interpretation of any provision of the Bond Resolution.

SECTION 30. Effective Date. The Bond Resolution shall take effect upon its passage and adoption by the Governing Body.

Alderman Huling seconded the motion to adopt the foregoing resolution after the same had been read and considered section by section, and, being put to a roll call vote, the result was as follows:

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

The motion having received the affirmative vote of a majority of all of the Aldermen present, the Mayor declared the motion carried and the Resolution adopted on this the 2nd day of February, 2010.

RESOLUTION TO CLEAN PRIVATE PROPERTY

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: 4186 Arabella 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, February 2, 2010, by publishing two (2) weeks notice of such hearing in *The DeSoto Times Tribune*, a newspaper having a general circulation in the municipality, to determine whether or not the said parcel of land were in such a state of uncleanness 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, February 2, 2010, 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: 4186 Arabella 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 Brooks and seconded by Alderman Huling. The Resolution was then put to a roll call vote and the results were as follows, to-wit:

ALDERMAN	VOTED
Alderman Greg Guy	YEA
Alderman Lorine Cady	YEA
Alderman Ronnie Hale	YEA
Alderman George Payne	YEA
Alderman William Brooks	YEA
Alderman Ricky Jobs	YEA
Alderman Randall T. Huling, Jr.	YEA

The Resolution, having received a majority vote of all Aldermen present, was declared adopted on this, the 2nd day of February, 2010.

PLANNING AGENDA

Item #1. Application by Urban Arch for design approval of a restaurant and retail shop in the Church Venture Subdivision on the south side of Church Road, west of I-55. Ms. Choat, Planning Director, stated that this has been approved by the Planning Commission. After a short discussion, Alderman Huling made the motion to approve Item #1 as presented with the changes. Motion was seconded by Alderman Payne. Motion was put to a vote and passed unanimously.

MAYOR'S REPORT

Mayor handed out an article that appeared in Business Week Magazine. The City of Southaven was listed as the fastest growing city in the State of Mississippi. This is due to our low tax rate and low cost of living.

Chief Long will provide the Board with the crime statistics for the city. He stated that there were 80 violent crimes in 2009.

Southaven is 1.78

The National Index is 4.54,

The State of MS is 2.91,

Memphis is 19.25.

Thanks to our men and women in blue as well as our Court Department.

Mayor asked for the Board to approve a budget revision on the DWI Loans. He will be reducing the Utility budget by \$1,003,056. This is due to one of the contracts for the water tower and water lines coming in lower than we expected. Aldermen Guy made the motion to accept the budget revision. Motion was seconded by Alderman Cady. Motion was put to a vote and passed unanimously.

Mayor reported on the ARRA Project. He stated that we were about to start the window replacement project for City Hall.

Next, he reported that the FY 2009 Audit will be starting soon.

Mayor reported that the City of Southaven has been working on flex hours. After reviewing the policy, he decided to go back to the hours of 8:00 am - 5:00 pm, Monday – Friday. These hours will allow these departments to be fully staffed everyday. He stated that the Court Department has been collecting approximately 9 tickets a month, on the off hours, and the Utility Department is collecting approximately 1.3 utility payments. Therefore, starting March 1, 2010, all departments will go back to the regular work schedule of 8:00 am - 5:00 pm.

RESOLUTION FOR COMCAST CABLE TO ASSIGN AND TRANSFER CONTROL OF CHANNEL 19 TO CITY OF SOUTHAVEN.

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMAN OF THE CITY OF SOUTHAVEN, MISSISSIPPI, REQUESTING THAT COMCAST CABLE ASSIGN AND TRANSFER CONTROL OF CHANNEL 19 TO THE CITY OF SOUTHAVEN, MISSISSIPPI

WHEREAS, the Mayor and Board of Aldermen of the City of Southaven, Mississippi, have been informed that effective February 8, 2010, Comcast Cable will discontinue the programming produced by Graham Media, Inc. and aired on cable Channel 19 in DeSoto County, Mississippi. WHEREAS, the Mayor and Board of Aldermen of the City of Southaven, Mississippi, believe that local television programming on Channel 19 is of great value to the City of Southaven, Mississippi and DeSoto County, Mississippi.

WHEREAS, pursuant to the Telecommunications Act, all cable systems are allowed reserved channels for use by Public, Educational or Governmental entities.

WHEREAS, the cable franchisee agreement entered into by and between Time-Warner, Comcast's predecessor, and the City of Southaven on or about August 3, 1993, makes allowance for Public, Educational, Government channels. That Section 21. Limitations On Access Prohibited of the cable franchise agreement provides that "Company shall not exercise any editorial control or prohibit or limit any program, class or type of program presented over any channel made available for public access, educational access, government access, or leased access purposes except as may be permitted by the Cable Acts."

WHEREAS, upon Comcast Cable's discontinuing that programming now being produced and aired on cable Channel 19, DeSoto County, Mississippi will have no local television access.

WHEREAS, the Mayor and Board of Aldermen request that Comcast Cable assign and transfer control of Channel 19 to the City of Southaven, Mississippi, as its government channel.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the Mayor and Board of Alderman of the City of Southaven, Mississippi, that Comcast Cable is hereby requested to assign and transfer control of cable Channel 19 to the City of Southaven, Mississippi as its government channel. Following the reading of this Resolution, it was introduced by Alderman Guy and seconded by Alderman Cady. The Resolution was then put to a roll call vote and the results were as follows, to-wit:

ALDERMAN	VOTED
Alderman Greg Guy	YES
Alderman Lorine Cady	YES
Alderman Ronnie Hale	YES
Alderman George Payne	YES
Alderman William Brooks	YES
Alderman Ricky Jobes	YES
Alderman Randall T. Huling, Jr.	YES

The Resolution, having received a majority vote of all Aldermen present, was declared adopted on this, the 2nd day of February, 2010.

COMMITTEE REPORTS:

No Committee Reports

CITY ATTORNEY'S LEGAL UPDATE

Mark Sorrell reported that he has one claim to report to the Board. This claim is from Mr. John Williamson who hit a pot hole on Stateline Rd. between Tchulahoma and Getwell on Christmas Eve, during a rain storm. The claim is for \$471.17 for damage to his wheel and tires. He recommends that we deny the claim because we were unaware of the pot hole. About an hour after the report, Mr. Ray Tarrance had a crew repair the pot hole. Alderman Guy made the motion to deny the claim as recommended by Mark Sorrell. Motion was seconded by Alderman Payne. Motion was put to a vote and passed unanimously.

OLD BUSINESS:

No Old Business

PROGRESS REPORTS:

No Progress Reports

CLAIMS DOCKET

A motion was made by Alderman Jobs to approve the Claims Docket of February 02, 2010, including demand checks and payroll in the amount of \$2,606,831.71. Excluding voucher numbers:

137575, 137595, 137619, 137622, 137623, 137624, 137625, 137629, 137638, 137640, 137679, 137715, 137796, 137806, 137903, 137937, 137938, 137940, 137946, 137963, 137967, 138010, 138047, 138048, 138074, 138075, 138086, 138092, 138096, 138132, 138134, 138157, 138160, 138164, 138165, 138175

Motion seconded by Alderman Guy. Motion was put to a roll call vote and passed unanimously.

Roll call was as follows:

ALDERMAN	VOTED
Alderman Guy	Yea
Alderman Cady	Yea
Alderman Hale	Yea
Alderman Payne	Yea
Alderman Brooks	Yea
Alderman Jobs	Yea
Alderman Huling	Yea

There being no further business to come before the Mayor and Board of Aldermen, a motion was made by Alderman Guy to adjourn. Motion seconded by Alderman Hale. Motion was put to a vote and passed unanimously, February 2, 2010 at 7:00 p.m.

Charles G. Davis, Mayor

Sheila Heath, City Clerk