

**RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GAUTIER, MISSISSIPPI (THE "CITY"), DIRECTING THE SALE AND AWARD OF A COMBINED UTILITY SYSTEM REVENUE REFUNDING BOND, SERIES 2012 OF THE CITY TO BE DATED THE DATE OF DELIVERY OF THE BANK BONDS, AS HEREIN DEFINED, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED ELEVEN MILLION DOLLARS (\$11,000,000) (THE "CITY BOND"); APPROVING THE FORM OF AND EXECUTION OF A CITY BOND PURCHASE AGREEMENT FOR THE SALE OF THE CITY BOND, A BOND PURCHASE AGREEMENT FOR THE SALE OF THE NOT TO EXCEED \$11,000,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2012 (GAUTIER, MISSISSIPPI COMBINED UTILITY SYSTEM REVENUE REFUNDING BOND PROJECT) (THE "BANK BONDS"), AND A TAX INTERCEPT AGREEMENT; APPROVING AND AUTHORIZING THE FORM OF, EXECUTION OF AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT PERTAINING TO THE BANK BONDS; AND AUTHORIZING THE MAYOR OR CITY CLERK OF THE CITY TO PROVIDE A WRITTEN NOTIFICATION TO HANCOCK BANK, BATON ROUGE, LOUISIANA, PAYING AGENT FOR THE 2001 BONDS (AS DEFINED HEREIN), OF THE CURRENT REFUNDING OF ALL OUTSTANDING MATURITIES OF THE 2001 BONDS WITH THE FUNDS TO BE PROVIDED BY THE ISSUANCE OF THE CITY BONDS AND BANK BONDS, AND THE OPTIONAL REDEMPTION OF THE 2001 BONDS MATURING IN 2013 THROUGH 2019, BOTH INCLUSIVE, ON A DATE TO BE DETERMINED, AT PAR; AND FOR RELATED PURPOSES.**

WHEREAS, the Mayor and City Council of the City of Gautier, Mississippi (the "Governing Body"), acting for and on behalf of the City of Gautier, Mississippi (the "City"), hereby finds, determines, adjudicates and declares as follows:

1. The Governing Body desires to issue a Combined Utility System Revenue Refunding Bond, Series 2012, of the City in the principal amount of not to exceed Eleven Million Dollars (\$11,000,000) (the "City Bond") and sell same to the Mississippi Development Bank (the "Bank"), said purchase to be funded from the proceeds of the not to exceed \$11,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2012 (Gautier, Mississippi Combined Utility System Revenue Refunding Bond Project) (the "Bank Bonds"), all as authorized under Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "Bank Act"), Sections 21-27-23 and 21-27-41 through 21-27-69, Mississippi Code of 1972, as amended and supplemented from time to time (the "City Bond Act") and Sections 31-27-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "Refunding Bond Act" and together with the Bank Act and the City Bond Act, the "Act"), to raise money for the purpose of providing funds for (i) the refunding of the outstanding principal of the Gautier Utility District, Jackson County, Mississippi Combined Utility System Revenue Refunding Bonds, Series 2001, dated December 1, 2001, issued in the original principal amount of \$15,680,000 (the "2001 Bonds"), said debt being

assumed by the City in FY 2005 (the “Refunding Project”); (ii) funding a debt service reserve fund for the Bank Bonds; and (iii) paying costs of issuance for the Bank Bonds and the City Bond (together, the “Project”).

2. The Governing Body did meet at its meeting place in the City Hall in the City of Gautier, Mississippi, at the hour of 6:30 o’clock p.m. on April 3, 2012.

3. At said time and place the following documents concerning the sale and purchase of the City Bond were received, examined and considered by the Governing Body: (i) a City Bond Purchase Agreement to be dated as of the date of sale of the City Bond, by and between the City and the Mississippi Development Bank (the “Bank”), as purchaser of the City Bond; (ii) a Bond Purchase Agreement to be dated the date of sale of the not to exceed \$11,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2012 (Gautier, Mississippi Combined Utility System Revenue Refunding Bond Project) (the “Bank Bonds”), by and among, the City, the Bank and Duncan-Williams, Inc., Memphis Tennessee, as underwriter for the Bank Bonds (the “Underwriter”); (iii) a Tax Intercept Agreement, to be dated as of the delivery date of the Bank Bonds, by and between the Bank and the City, and accepted by the Trustee, as hereinafter defined (the “Tax Intercept Agreement”); (iv) the Continuing Disclosure Agreement between the City and the Bank; and (v) the Preliminary Official Statement and the Official Statement prepared in connection with the sale of the Bank Bonds.

4. If in the opinion of the Bank, Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Bond Counsel (the “Bond Counsel”), the Underwriter, Baker, Donelson, Bearman, Caldwell & Berkowitz, PC (the “Underwriter Counsel”) and Government Consultants, Inc., Jackson, Mississippi, as financial advisor to the Bank (the “Financial Advisor”), a supplement or amendment to the Preliminary Official Statement and/or Official Statement (the “Official Statement”) is necessary to provide proper disclosure for the Bank Bonds, the Governing Body of the City desires to authorize (a) the Underwriter Counsel, with the consent and approval of Bond Counsel, to prepare such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by the Underwriter and Underwriter Counsel, with the consent and approval of Bond Counsel and (b) the Underwriter to provide distribution of such supplement or amendment to the Preliminary Official Statement and/or Official Statement, as the case may be, in connection with the sale of the Bank Bonds.

5. The Governing Body does now find, determine and adjudicate that each of the above documents regarding the sale of the City Bond and the Bank Bonds are in the best interest of the City and finds it necessary to approve the form of and the execution of each document, as applicable, including the distribution of a Preliminary Official Statement and an Official Statement for the Bank Bonds.

6. The Governing Body desires to authorize the Mayor or City Clerk of the City to provide a written notification to Hancock Bank, Baton Rouge, Louisiana, paying agent for the 2001 Bonds, of the current refunding of the 2001 Bonds maturing in the years 2013 through 2019, both inclusive (the "Refunded Bonds"); and

7. The Governing Body finds it necessary to approve the form of and execution of the notice of refunding of the Refunded Bonds and optional redemption of the Refunded Bonds maturing in the years 2013 through 2019, both inclusive (the "Callable 2001 Bonds") on a date to be determined (the "Notice of Refunding/Redemption").

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

**SECTION 1.** The City Bond is hereby awarded and sold to the Bank, in accordance with the terms hereof and the City Bond Purchase Agreement submitted to the Governing Body in the form as provided in **EXHIBIT A** hereto. The Underwriter shall purchase the Bank Bonds pursuant to the terms provided in the Bond Purchase Agreement, and the City hereby approves the sale of the Bank Bonds by the Bank subject to the approval by the Mayor of the following: (1) compliance of the City with the provisions of Act regarding the issuance and sale of its City Bond; (2) Bank Bonds in an amount not to exceed Eleven Million Dollars (\$11,000,000); (3) a net interest cost on the Bank Bonds of not more than 6.00%; (4) approval by the City of the proposal for the sale of the Bank Bonds evidenced by the City's execution of the Bond Purchase Agreement; (5) approval by the City of the sale of the City Bond to the Bank evidenced by the City's execution of the City Bond Purchase Agreement; (6) maturity schedule for Bank Bonds of not to exceed 9 years; (7) the issuance of the Bank Bonds and the City Bond will not result in an overall net present value savings to maturity of less than two percent (2%) on the 2001 Bonds to be refunded (the "Refunded Bonds") which overall net present value savings to maturity on the Refunded Bonds of not less than two percent (2%) meets or exceeds the requirements of Section 31-27-13 of the Refunding Bond Act; and (8) terms and provisions of the Bank Bonds in compliance with the Act.

**SECTION 2.** The Governing Body hereby approves the form of and execution of the City Bond Purchase Agreement and hereby authorizes the Mayor and the City Clerk of the City to execute the City Bond Purchase Agreement on behalf of said Governing Body. All provisions of the City Bond Purchase Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be part of this resolution fully and to the same extent as if separately set out verbatim herein, which said City Bond Purchase Agreement shall be in substantially the form as provided in **EXHIBIT A** hereto, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

**SECTION 3.** The Governing Body hereby approves the form of and the execution of the Bond Purchase Agreement and hereby authorizes the Mayor to execute the Bond Purchase Agreement on behalf of said Governing Body. All provisions of the Bond Purchase Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be part of this resolution fully and to the same extent as if separately set out verbatim herein, which said Bond Purchase Agreement shall be in substantially the form as provided in **EXHIBIT B** hereto, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

**SECTION 4.** The Preliminary Official Statement for the Bank Bonds to be dated the date of distribution thereof is hereby approved and ratified in substantially the form attached

hereto as **EXHIBIT C**, with such completions, changes, insertions and modifications as shall be approved by the officers executing same. The City hereby deems the Preliminary Official Statement to be “final” as described in Rule 15c2-12(b)(1) of the Securities and Exchange Commission. The Mayor is hereby authorized and directed to approve the final Official Statement on behalf of the Governing Body and the City with such changes from the Preliminary Official Statement as he may approve, at which time the Official Statement shall be “deemed final” and, the Governing Body hereby authorizes the distribution of said Preliminary Official Statement and said final Official Statement and the use thereof by the Underwriter in connection with the public offering of the Bank Bonds.

**SECTION 5.** The form of the Tax Intercept Agreement is hereby approved, and the Mayor and the City Clerk of the City are hereby authorized and directed to execute said Tax Intercept Agreement on behalf of the City. All provisions of the Tax Intercept Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be a part of this resolution fully and to the same extent as if separately set out verbatim herein, which said Tax Intercept Agreement shall be in substantially the form attached hereto as **EXHIBIT D**, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

**SECTION 6.** If in the opinion of the Bond Counsel, the Underwriter, the Underwriter Counsel and the Financial Advisor, a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Bank Bonds, the Governing Body of the City hereby authorizes the Underwriter Counsel, with the consent and approval of Bond Counsel, to prepare and distribute such supplement or amendment to the Preliminary Official Statement and/or the Official Statement in a form and in a manner approved by the Underwriter Counsel, with the consent and approval of Bond Counsel, with the distribution of such supplement or amendment being conclusive evidence of the approval of the Governing Body.

**SECTION 7.** The Mayor is hereby given the authority to approve the designation by the Executive Director of the Bank of a qualified banking institution/corporation to serve as trustee under the Indenture of Trust, to be dated the date of delivery of the Bank Bonds, by and between the Bank and such trustee (the “Trustee”) (the “Indenture”), providing for the issuance of the Bank Bonds, such designation to be set forth in the Bond Purchase Agreement and such approval to be evidenced by the execution of the Bond Purchase Agreement by the Executive Director of the Bank acting for and on behalf of the Bank, and the Mayor of the City, acting for and on behalf of the City.

**SECTION 8.** The Mayor and/or the City Clerk are hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the payment by the trustee under the documents for the Bank Bonds on the closing date of the Bank Bonds the costs of issuance of said Bank Bonds and cost of issuance for the City Bond of the City; provided, however, total costs of issuance for said Bank Bonds and the City Bond shall not exceed shall not exceed 3% of the par amount of the Bank Bonds (excluding the Underwriter's discount and original issued discount, if applicable).

**SECTION 9.** Upon receiving the recommendation of Government Consultants, Inc. Jackson, Mississippi, as Financial Advisor, Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, Bond Counsel, and Robert G. Ramsey, Esq., Pascagoula, Mississippi, Counsel to the City, the Mayor and the City Clerk are hereby authorized and directed to make all final determinations necessary to prepare the City Bond Purchase Agreement, the Tax Intercept Agreement, Preliminary Official Statement and the Bond Purchase Agreement for the sale of the Bank Bonds, including the date of sale, the dated date of the Bank Bonds, the final principal amount of the Bank Bonds, the maturity schedule relating to the Bank Bonds, the redemption terms of the Bank Bonds and any other terms thereof; provided, however, that all such determinations shall be made subject to approval by the Executive Director of the Bank, to be evidenced by the execution of the Bond Purchase Agreement for the sale of the Bank Bonds, by the Mayor, acting for and on behalf of the City, pursuant to this resolution and the Executive Director of the Bank, acting for and on behalf of the Bank, pursuant to a resolution adopted by the Bank on March 21, 2012.

**SECTION 10.** That the Governing Body hereby approves the refunding of the Refunded Bonds and the optional redemption of the Callable 2001 Bonds on a date to be determined.

**SECTION 11.** That the form of and the execution by the Mayor or Clerk of the City of the Notice of Refunding/Redemption attached hereto as **EXHIBIT E**, are hereby approved. The Mayor and Clerk, upon receiving the recommendation of the Financial Advisor and Bond Counsel, are hereby directed to finalize the Notice of Refunding/Redemption, including inserting the date of redemption of the Callable 2001 Bonds recommended by the Financial Advisor and Bond Counsel to provide the most economic benefit to the City.

**SECTION 12.** Prior to their delivery, the City Bond shall be validated pursuant to Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended, by the Chancery Court of Jackson County, Mississippi.

**SECTION 13.** The Mayor and the City Clerk be, and they are hereby authorized and directed for and on behalf of the Governing Body, to take any and all such action as may be required by the City to carry out and to give effect to the aforesaid documents authorized pursuant to this resolution and to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this resolution in order to evidence said authority, including the approval of the final Official Statement in connection with the Bank Bonds.

**SECTION 14.** All orders, resolutions or proceedings of this Governing Body in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

**SECTION 15.** For cause, this resolution shall become effective immediately upon the adoption thereof.

Council Member \_\_\_\_\_ moved and Council Member \_\_\_\_\_ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Mayor Tommy L. Fortenberry	voted: _____
Council Member Johnny Jones	voted: _____
Council Member Hurley Ray Gulliotte	voted: _____
Council Member Gordon Gollott	voted: _____
Council Member Scott D. MacFarland	voted: _____
Council Member Adam Colledge	voted: _____
Council Member Mary Martin	voted: _____

The motion having received the affirmative vote of a majority of the members present, the President declared the motion carried and the resolution adopted, on this the 3rd day of April, 2012.

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**MAYOR**  
**CITY OF GAUTIER, MISSISSIPPI**

**ATTEST:**

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**CITY CLERK**  
**CITY OF GAUTIER, MISSISSIPPI**

**(SEAL)**

**EXHIBIT A**  
**FORM OF CITY BOND PURCHASE AGREEMENT**

**EXHIBIT B**  
**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT C**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**EXHIBIT D**

**FORM OF TAX INTERCEPT AGREEMENT**

**EXHIBIT E**

**FORM OF NOTICE OF REFUNDING/REDEMPTION NOTICE**

(put on letterhead of City of Gautier, Mississippi)

\_\_\_\_\_, 2011

Hancock Bank  
Hancock Bank Building,  
2600 CitiPlace Drive  
Baton Rouge, LA 70808

RE: Refunding of all outstanding maturities of the \$15,680,000 Gautier Utility District, Jackson County, Mississippi Combined Utility System Revenue Refunding Bonds, Series 2001, dated December 1, 2001 (the "2001 Bonds"), said debt being assumed by the City of Gautier, Mississippi in FY 2005, maturing in the years 2013 through 2019, both inclusive (the "Refunded Bonds") and the Optional Redemption of the Refunded Bonds maturing in the years 2013 through 2019, both inclusive (the "Callable 2001 Bonds")

Dear Sir:

The Mayor and City Council (the "Governing Body") for the City of Gautier, Mississippi, acting for and on behalf of the City of Gautier, Mississippi (the "Issuer"), did adopt a resolution (a copy of which is attached), which authorized the current refunding of the Refunded Bonds and the optional redemption of the Callable 2001 Bonds. The Governing Body does hereby irrevocably exercise its option to call for redemption the outstanding Callable 2001 Bonds effective \_\_\_\_\_, 2012, and hereby directs Hancock Bank, Baton Rouge, Mississippi, as paying agent for the Callable 2001 Bonds (the "2001 Paying Agent"), to take any action required under the Bond Resolution for the Callable 2001 Bonds (the "2001 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 2001 Bond Resolution and the 2001 Paying Agent is hereby authorized to utilize funds provided to the 2001 Paying Agent from the refunding monies provided by the Issuer's not to exceed \$11,000,000 Combined Utility System Revenue Refunding Bond, Series 2011, to be dated the date of delivery thereof (the "City Bond") to be purchased by the Mississippi Development Bank from the proceeds of its not to exceed \$11,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2012 (Gautier, Mississippi Combined Utility System Revenue Refunding Bond Project), to be date the date of delivery thereof (the "Bank Bonds").

From the date of the issuance of the City Bond and the Bank Bonds, the 2001 Paying Agent shall provide for the funds for the optional redemption of the Callable 2001 Bonds from the funds provided to it by the Issuer from the proceeds of the City Bond and the Bank Bonds.

It is the responsibility of the 2001 Paying Agent to assure that all publications and form of redemption notices conform to the requirements of the 2001 Bond Resolution.

Sincerely,

\_\_\_\_\_  
(Type Name of Mayor or Clerk of the City of Gautier,  
Mississippi)