

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF GAUTIER, MISSISSIPPI (THE "CITY"), DECLARING THE INTENTION OF THE CITY TO ENTER INTO A LOAN (THE "LOAN") WITH THE MISSISSIPPI DEVELOPMENT BANK (THE "BANK") SECURED BY A PROMISSORY NOTE (THE "NOTE") PURSUANT TO MISSISSIPPI CODE 1972 ANNOTATED, SECTIONS 21-27-23 AND 21-27-41 THROUGH 21-27-69, AS AMENDED FROM TIME TO TIME (THE "BOND ACT") AND SECTIONS 31-25-1 ET SEQ., MISSISSIPPI CODE OF 1972, AS AMENDED FROM TIME TO TIME (THE "BANK ACT" AND TOGETHER WITH THE BOND ACT, THE "ACT") FOR THE PURPOSES OF PROVIDING FUNDS FOR IMPROVING, REPAIRING, AND EXTENDING THE COMBINED UTILITY SYSTEM OF THE CITY AND OTHER AUTHORIZED PURPOSES UNDER THE ACT, SAID LOAN AND NOTE BEING FUNDED BY THE BANK FROM THE ISSUANCE OF ITS NOT TO EXCEED \$3,500,000 SPECIAL OBLIGATION BONDS, SERIES 2013 (GAUTIER, MISSISSIPPI COMBINED UTILITY SYSTEM REVENUE PROJECT); AND DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION.

WHEREAS, the City of Gautier, Mississippi (the "City"), is authorized under the provisions of Sections 21-27-23 and 21-27-41 through 21-27-69, Mississippi Code of 1972, as amended from time to time (the "Bond Act") and Sections 31-25-1 et seq., Mississippi Code of 1972, as amended from time to time (the "Bank Act" and together with the Bond Act, the "Act"), to enter into a loan (the "Loan") with the Mississippi Development Bank (the "Bank") secured by a promissory note (the "Note") pursuant to the Act in such amounts as it may find necessary and proper in order to provide funds for the improvement, repair and extension of the combined utility system of the City (the "System") and other authorized purposes under the Act (together, the "Project"); and

WHEREAS, the Mayor and City Council find and determine that it is necessary and proper to improve, repair and extend the System which improvements, repairs and extensions are to be done substantially in accordance with plans and specifications prepared by engineers employed by the City and approved by the Mayor and City Council; and

WHEREAS, the Mayor and City Council have caused an estimate to be made of the cost of such improvements, repairs and extensions by competent engineers and the costs of such estimates plus the costs of other authorized purposes under the Act from which estimates and other costs the Mayor and City Council find that the total aggregate contemplated costs thereof will not exceed Three Million Five Hundred Thousand Dollars (\$3,500,000); and

WHEREAS, it is necessary for the health and well-being of the citizens of the City to enter into a loan (the "Loan") with the Bank secured by the Note pursuant to the Act, for the purposes herein stated, and for the Bank to issue its not to exceed \$3,500,000 Special Obligation Bonds, Series 2013 (Gautier, Mississippi Combined Utility System Revenue Project) (the "Bank Bonds") to finance the Loan and the Note to fund the Project; and

WHEREAS, it is necessary, proper and economically feasible that the City issue its Note to secure the Loan from the Bank to the City said Loan and Note being funded from the proceeds of the Bank Bonds, pursuant to the Act, for the purposes herein stated and under the procedures hereinafter set forth and as provided by law.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF GAUTIER, MISSISSIPPI:

SECTION 1. That the Mayor and City Council of the City of Gautier, Mississippi, do hereby declare its intention to enter into the Loan with the Bank secured by its Note said Loan and Note to be in a total amount not to exceed Three Million Five Hundred Thousand Dollars (\$3,500,000) to raise money to provide funds for the Project.

SECTION 2. The principal and interest on the said Loan and Note shall be payable over a period not to exceed twenty (20) years solely from revenues derived and to be derived from operation of the combined utility system of the City, subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and subject to the prior lien of debt service on certain State Revolving Fund Loans (the "SRF Loans"), existing on the date of entering into the Loan and the issuance of the Note, from the State of Mississippi to the City, and the parity lien of the City's outstanding \$9,995,000 Combined Utility System Revenue Refunding Bonds, Series 2012 (the "2012 Bonds"). Said Loan and Note shall not constitute an indebtedness of the City within the meaning of any statutory or charter restriction, limitation, or provision, and the taxing power of the City will not be pledged to the payment of said Loan and Note, but the same, together with the interest thereon, shall be payable solely from revenues of the System subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and the prior lien of debt service on the SRF Loans and the parity lien of the 2012 Bonds.

SECTION 3. Unless a protest in writing signed by not less than twenty percent (20%) of the qualified electors of the City of Gautier, Mississippi, objecting to and protesting against the Loan and the Note is filed with the City Clerk on or before 5:00 o'clock p.m. on May 17, 2013, the Mayor and City Council of the City of Gautier, Mississippi, will authorize the Loan and the issuance of the Note at a meeting of the Mayor and City Council set for 6:30 o'clock p.m. on May 21, 2013, which date shall be more than ten (10) days after the date of the last publication of this resolution. If such sufficient protest and objection is filed on or before the date and hour hereinabove set forth, the question of entering into said Loan and the issuance of the Note shall be submitted to an election to be held as provided in Mississippi Code 1972 Annotated, Section 21-27-43, as amended.

SECTION 4. This resolution shall be (i) published once a week for at least three consecutive weeks in *The Mississippi Press*, a newspaper published in the City of Pascagoula, Mississippi, and having a general circulation in the City and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended; and the last publication of this resolution shall be not more than ten (10) days prior to the date hereinabove set forth as the deadline for the filing of objection or protest and shall be more than ten (10) days prior to the date hereinabove set forth for the meeting of the Mayor and City Council to authorize entering

into said Loan and the issuance of the Note; and (ii) be posted for at least twenty-one (21) days next preceding the date fixed therein at three (3) public places in the City.

SECTION 5. The City Clerk is hereby directed to procure from the publisher of the aforesaid newspaper the customary proof of publication of this resolution and have the same before the Mayor and City Council on the day and hour hereinabove specified.

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 Fortenberry	Voted: _____
Council Member Johnny Jones	Voted: _____
Council Member Hurley Ray Guillotte	Voted: _____
Council Member Gordon T. Gollott	Voted: _____
Council Member Scott D. Macfarland	Voted: _____
Council Member Adam D. Colledge	Voted: _____
Council Member Mary F. Martin	Voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted, on this the 16th day of April, 2013.

MAYOR

ATTEST:

CITY CLERK

(SEAL)

PUBLISH: April 26 and May 3 and 10, 2013