financing statement evidencing such security interest, and agrees to execute and deliver all financing statements and other instruments necessary or appropriate to evidence such security interest. Lessee further agrees that the Uniform Commercial Code of the State of Mississippi shall apply as between the parties hereto and assignees of Lessor.

23. Default. The Lessee shall be in default under this Agreement upon the occurrence of any of the following events:

(a) nonpayment when due or within 10 days thereafter of any installment of rent or other sum owing hereunder, except for nonpayment due to a non-appropriation event as provided in paragraph 4 hereof;

(b) breach of any other covenant or agreement in this Agreement and the continuance of such breach for a period of 10 consecutive days following Lessee's receipt of written notice thereof from Lessor;

(c) if any representation or warranty made by Lessee or by any agent or representative of Lessee herein or in any document or certificate furnished Lessor in connection herewith or pursuant hereto proves to be incorrect at any time in any material respect;

(d) if Lessee shall dissolve or become insolvent or bankrupt, commit any act of bankruptcy, make any assignment for the benefit of, or enter into an arrangement or composition with creditors, suspend or terminate the transaction of its usual business or consent to the appointment of a trustee or receiver of if a trustee or receiver shall be appointed for Lessee or for a substantial part of its property, or if bankruptcy, reorganization arrangements or similar proceedings shall be instituted by or against Lessee;

(e) if any order, judgment or decree shall be entered against Lessee by a court of competent jurisdiction and such order, judgment or decree shall continue unpaid or unsatisfied for any period in excess of 60 consecutive days without a stay of execution, or if a writ or order of attachment, execution or other legal process shall be issued in connection with any action or proceeding against Lessee or its property whereby any of the Equipment or any substantial part of Lessee's property may be taken or restrained;

(f) if Lessee shall default in the performance of any obligation or in the payment of any sum due to the Lessor under any other lease, contract, agreement, arrangement or understanding;

(g) if any indebtedness of Lessee for borrowed money shall become due and payable by acceleration of the maturity date thereof; or

(h) if Lessor, in the exercise of reasonable judgment, shall determine that Lessee is generally not paying its debts as such debts become due. In addition, Lessee shall give Lessor 5 days' written notice prior to the filing of any voluntary petition of bankruptcy, or written notice prior to taking any action with respect to the Equipment in bankruptcy proceedings, and shall include in said written notice the venue of the anticipated proceedings and a copy of any relevant pleadings with respect thereto. Failure to give said written notice within the time as specified shall constitute an event of default hereunder and shall cause an immediate termination of this Agreement as to all

items of Equipment. Said default and termination, however, shall not constitute an election of remedies and Lessor shall retain its rights to such other remedies as may be set forth in this Agreement.

24. Remedies. Upon the occurrence of any event of default and at any time thereafter, Lessor, acting alone and/or through its agents, may, without any further notice, exercise one or more of the following remedies as Lessor in its sole discretion shall elect:

(a) declare the unpaid principal balance plus accrued interest to date under this Agreement to be immediately due and payable without notice or demand;

(b) terminate this Agreement as to any or all items of Equipment;

(c) without notice, demand, liability or legal process, enter into any premises of or under control or jurisdiction of Lessee or any agent of Lessee where the leased Equipment may be, or is believed to be by Lessor, and repossess all or any item thereof, disconnecting and separating all or so much thereof as may be required to disconnect or separate same from any other property, Lessee hereby expressly waiving all further rights to possession of the Equipment and all claims for injuries suffered through or loss caused by such repossession;

(d) cause Lessee, at its expense, promptly to return the Equipment to Lessor, at such place as Lessor may designate, in the condition set forth above;

(e) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof on the premises of Lessee or at any other location without affecting the obligations of Lessee as provided in this Agreement;

(f) sell or lease the Equipment or any part thereof, at public auction or by private sale or lease at such time or times and upon such terms as Lessor may determine, free and clear of any rights of Lessee, and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than 10 days prior to the date thereof shall constitute reasonable notice thereof;

(g) proceed by appropriate action either at law or in equity to enforce performance by Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof; or

(h) to the extent state law allows, exercise any and all rights accruing to Lessor under any applicable law upon a default by Lessee. In addition, Lessor shall be entitled to recover immediately as liquidated damages for the loss of a bargain and not as a penalty, a sum equal to the aggregate of the following:

(i) all unpaid rent or other sums which are due and payable up to the date the Equipment is returned to or repossessed by Lessor,

(ii) any expense paid or incurred by Lessor in connection with the

repossession, holding, repair and subsequent sale, lease or other disposition of the Equipment, including attorneys' fees and legal expenses, and

(iii) the purchase option price as prescribed in Paragraph 21 hereof, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise. Additionally, the measure of liquidated damages as set forth hereinabove shall be applicable to fix the damages accruing for the unexpired portion of the lease term if this Agreement is not assumed by the Lessee in a bankruptcy proceeding. Should Lessor, however, estimate its actual damages to exceed the foregoing, Lessor may, at its option, recover its actual damages in lieu of or in addition thereto.

None of the remedies of Lessor under this Agreement are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor at law or in equity. Lessee agrees to pay Lessor all attorneys' fees and all costs and expenses incurred by Lessor in connection with the enforcement of the terms of the Agreement or any right or remedy hereunder to the extent state law allows. Any repossession or subsequent sale or lease by the Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided and the bringing of an action or the entry of a judgment against the Lessee shall not bar the Lessor's right to repossess any or all items of Equipment. Lessee waives any and all rights to notice and to a judicial hearing with respect to the repossession of the Equipment by Lessor in the event of a default hereunder by Lessee to the extent state law allows.

25. Reports. Lessee shall:

(a) immediately notify Lessor of any materially defective, improper, or malfunctioning item of Equipment, the nature of the defect or malfunction, the name and address of the manufacturer of the item of Equipment, and such other information as may be known;

(b) promptly advise Lessor of all correspondence, papers, notices, and documents whatsoever received by Lessee in connection with any claim or demand involving or relating to materially improper manufacturing, operation, use, or functioning of any item of Equipment or charging Lessor or Lessee with liability, and aid in the investigation and defense of all such claims and in the recovery of damages from third persons liable therefore;

(c) notify Lessor in writing within 10 days after any day on which any tax lien shall attach to any item of Equipment; and

(d) reimburse Lessor, upon demand, for all attorneys' fees, court costs, and other fees, costs, and expenses incurred by Lessor in connection with the foregoing to the extent state law allows.

26. Further Assurances. Lessee will promptly execute and deliver to Lessor such further documents and take such further action as Lessor may reasonably request in order to more effectively carry out the intent and purposes hereof.

27. Lessee's Obligations Unconditional. Except as provided in paragraph 4 hereof, Lessee hereby agrees that Lessee's obligation to pay all rent and other amounts owing hereunder shall be absolute and unconditional. This Agreement may not be cancelled or terminated except as expressly provided herein.

28. Relationship of Parties. The relationship of Lessor and Lessee is that of Lessor and Lessee only, and nothing contained herein shall be deemed or construed by Lessor and Lessee, or by any third party, or by any court, as creating the relationships of employer and employee, principal and agent, partnership, or joint venture.

29. Notices. All notices, demands and requests which may or are required to be given to another party hereunder shall be in writing, and each shall be deemed to have been properly given when served personally on an executive officer of the party to whom such notice is to be given, or when sent postage prepaid by first class mail, registered or certified, return receipt requested, by deposit thereof in a duly constituted United States Post Office or branch thereof located in one of the states of the United States of America in a sealed envelope addressed as follows:

If to the Lessor:

Bancorp South Equipment Finance,
division of Bancorp South Bank
P. O. Box 15097
302 Second Avenue
Hattiesburg, MS 39404-5097
Attention: Ms. Elaine D. Temple, President

If to the Lessee:

City of Gautier
3330 Hwy. 90
Gautier, MS 39553
Attention: City Manager

A duplicate copy of each notice, certificate or other communication given under this Agreement to any party thereunder shall also be given to any other parties indicated in this Paragraph. The Lessor and Lessee, by notice given hereunder, designate any further or different addresses and to which subsequent notices, certificates or other communications shall be sent.

30. Consents. The consent or approval by any party to or of any act by the other party requiring such consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act. No custom or practice of the parties shall constitute a waiver of any party's rights to insist upon strict compliance with the terms hereof.

31. Entirety of Agreement. This Agreement contains the entire agreement between Lessor and Lessee, and supersedes all prior agreements and understandings relating to the subject

matter hereof. No other agreement shall be effective to change, modify, or terminate this Agreement in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification, or termination is sought. No representations, inducements, promises, or agreements, oral or otherwise, which are not embodied herein shall be of any force or effect.

32. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original for all purposes, and all of which shall constitute, collectively, one agreement, but, in making proof hereof, it shall never be necessary to exhibit more than one such counterpart.

33. Amendments and Addendums. This Agreement may be amended or any of its terms modified only by written consent of Lessee and Lessor or its assignee.

In the event Lessee desires to buy other equipment, the parties may execute an addendum to this Agreement with respect to such other equipment by (i) executing a Purchase Order for such equipment; (ii) executing an acceptance certificate of the equipment; and (iii) obtaining new opinions and other supporting documentation as required or permitted by this Agreement. For purposes of construing subsequent transactions concerning other equipment as an integrated contract, the following shall be considered a single transaction or legal and binding agreement:

(a) This Agreement, which provides basic terms and conditions;

(b) An executed Purchase Order and acceptance certificate; and

(c) Schedules, exhibits, and other attachments to such documents that pertain to the equipment described in the delivery order, and supporting documentation such as, e.g., opinions of counsel and insurance certificates.

34. Severability Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement; and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in lieu of each such illegal, invalid, or unenforceable provision there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

35. Persons Bound by Agreement. The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessee, and its successors, assigns, agents, and servants. The Lessee has no interest in the Equipment other than the possession and use thereof during the lease term and cannot pledge, mortgage, or grant a security interest in the Equipment or any item of Equipment. The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessor, and its successors, assigns, agents, and servants, and, where the context so requires, any person accepting an assignment of the rights of Lessor hereunder, and their respective successors,

assigns, agents, and servants, and with respect to any indemnification provisions hereof, Lessor and any holder of obligations of Lessor issued in connection with this Agreement, and their respective successors, assigns, agents, and servants, shall each be entitled to indemnification hereunder without regard to the actions of any other person hereunder.

36. Assignment. (a) Without Lessor's prior consent, Lessee shall not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this Agreement or the Equipment or any interest in this Agreement or said Equipment, or (ii) lease or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may, without the consent of Lessee, assign its rights, title and interest in and to this Agreement, and all attachments hereto including the Purchase Order(s), to various assignee/investors or their agents or trustees, and/or grant or assign a security interest in this Agreement or the Equipment, in whole or in part and its assignee may reassign this Agreement. Lessee agrees that this Agreement may become a part of a pool of contract obligations at Lessor's option, and Lessor or its assignees may assign or further assign either the entire pool or a fractionalized interest therein. Each such assignee shall have all of the rights of Lessor under this Agreement. Lessee shall recognize and acknowledge each such assignment and/or security interest. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assignees of the parties hereto.

(b) This Agreement and any interest herein may be transferred only through a book entry system as prescribed by Section 149(a) of the Code, as the same may be amended from time to time. During the term of this Agreement, Lessee shall keep a complete and accurate record of all assignments and other transfers in form and substance necessary to comply with Section 149(a) of the Code. Upon assignment of Lessor's interest herein, Lessor will cause written notice of such assignment to be sent to Lessee and, upon receipt of such notice of assignment, Lessee shall: (i) acknowledge the same in writing to Lessor; and (ii) record the assignment in Lessee's "book entry system" as that term is defined in Section 149(a) of the Code. No further action will be required by Lessor or by Lessee to evidence the assignment. No such assignment shall become effective without recordation of the assignment in said "book entry system."

37. Waivers; Cumulative Rights. No waiver by Lessor of any default shall be deemed to be a waiver of any other then existing or subsequent default, nor shall any such waiver by Lessor be deemed to be a continuing waiver. No delay or omission by Lessor in exercising any right, power, privilege, or remedy hereunder, or at law or in equity, or otherwise shall impair any such right, or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any right preclude other or further exercise thereof, or the exercise of any other right. All rights shall be cumulative of and in addition to all other rights, and may be exercised from time to time, and as often as may be deemed expedient by Lessor.

38. Governing Law. The substantive laws of the State of Mississippi shall govern the validity, construction, enforcement, and interpretation of this Agreement, the rights and remedies of the parties hereunder, and the ownership rights in and to the Equipment.

39. Right to Perform Covenants. If Lessee shall fail to make any payment or perform any act required to be made or performed by Lessee hereunder, Lessor, without waiving or releasing any obligation or default on the part of Lessee, may (but will be under no obligation to) at any time

thereafter make such payment or perform such act for the account and at the expense of Lessee, and may take all such action as may be necessary therefore. All sums so paid by Lessor and all expenses (including, without limitation, reasonable attorneys' fees) so incurred, together with interest thereon from the date of payment or incurring at the highest rate permitted by applicable law, will be paid by Lessee to Lessor on within 30 days.

40. Survival. Lessee's obligations contained in this Agreement shall survive the termination or cancellation of this Agreement or the expiration of the term of any schedule.

41. Special Stipulations. Any amendment to standard language will be set forth in Exhibit A attached hereto ("Special Stipulations").

42. Maximum Interest Rate. Nothing contained in this Agreement shall require the Lessee to pay interest at a rate exceeding the Maximum Permissible Rate. If the amount of interest payable to the Lessor for any period would otherwise exceed the Maximum Permissible Amount for such period, such amount shall be automatically reduced to the Maximum Permissible Amount for such period, and the amount of interest payable to the Lessor for any subsequent period, to the extend less than the Maximum Permissible Amount for such subsequent period, shall, to the extent, be increased by the amount of such reduction. The Lessee shall give the Lessor notice of any law or change in law that may result in such reduction or increase promptly after becoming aware of such law or change. "Maximum Permissible Amount" means, with respect to interest on any amount for any period, the maximum amount of interest that can be payable with respect to such amount for such period without causing the rate of interest on such amount for such period to exceed the Maximum Permissible Rate. "Maximum Permissible Rate" means the rate of interest on an amount that if exceeded could, under law, result in civil or criminal penalty being imposed on the Lessor or result in the Lessor's being unable to enforce payment or repayment of all or part of the rental payments due under this Agreement, including portions allocable to interest due or to become due on such amount.

43. Effective Date. This Agreement shall become effective upon execution by all of the parties hereto.

The parties have caused this Agreement to be executed by their duly authorized representatives as of the day and year first above written.

LESSOR:	LESSEE:
BancorpSouth Equipment Finance, a division of BancorpSouth Bank	City of Gautier, Mississippi
By: _____	By: Samantha D. Abell
Title: _____	Title: City Manager

7335B 70322-002

EQUIPMENT ACCEPTANCE NOTICE

TO: BancorpSouth Equipment Finance, a division of BancorpSouth Bank

RE: Equipment Lease-Purchase Agreement dated as of April 4, 2014.

City of Gautier, Mississippi (the "Lessee"), acting by and through the Mayor and City Council, the Governing Body of the Lessee, hereby acknowledge receipt in good condition and working order of the equipment (the "Equipment") as listed on Exhibit "C-1" attached hereto and made a part hereof and further described in the invoices attached hereto and made a part hereof. The Equipment is subject to the Equipment Lease-Purchase Agreement dated as of April 4, 2014 between Lessor and Lessee. Lessee certifies to Lessor that the Lessee has inspected the Equipment and that the Equipment is acceptable and approves supplier's(s') invoices for the Equipment and requests that Lessor make payment of such invoices.

Lessee further acknowledges that it selected the Equipment so received. LESSEE AGREES THAT LESSOR MADE NO REPRESENTATIONS AND WARRANTIES WHATEVER, DIRECTLY OR INDIRECTLY, EXPRESS OR IMPLIED, AS TO THE SUITABILITY, DURABILITY, FITNESS FOR USE, MERCHANTABILITY, CONDITION, QUALITY, OR OTHERWISE OF SUCH EQUIPMENT. LESSEE SPECIFICALLY WAIVES ALL RIGHT TO MAKE ANY CLAIM AGAINST LESSOR ITS ASSIGNS FOR BREACH OF ANY WARRANTY, OR TO INTERPOSE OR ASSERT ANY SUCH DEFENSE, COUNTERCLAIM OR SETOFF.

LESSEE:

City of Gautier, Mississippi

By: Samantha P. Hall

Title: City Manager

Date: April 4, 2014

EXHIBIT C

EXHIBIT C-1

City of Gautier, Mississippi

Master Lease Number: 7335B Schedule Number: 02

Energy Services Contract / Water Meters

Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I **Reporting Authority** — If **Amended Return**, check here ▶ ☐

1 Issuer's name City of Gautier, MS	2 Issuer's employer identification number (EIN) 64-0732369
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)	3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) / Room/suite 3330 Highway 90	5 Report number *(For IRS Use Only)* 3
6 City, town, or post office, state, and ZIP code Gautier, MS 39553-0090	7 Date of issue 04/04/2014
8 Name of issue Equipment Lease Purchase Agreement	9 CUSIP number NA
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Samantha Abel, City Manager	10b Telephone number of officer or other employee shown on 10a 228-497-8000

Part II **Type of Issue (enter the issue price).** See the instructions and attach schedule.

11	Education	11	
12	Health and hospital	12	
13	Transportation	13	
14	Public safety	14	
15	Environment (including sewage bonds)	15	
16	Housing	16	
17	Utilities	17	
18	Other. Describe ▶ Energy Services Contract	18	3,235,000.00
19	If obligations are TANs or RANs, check only box 19a ▶ ☐ If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III **Description of Obligations.** Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	04/04/2029	$ 3,235,000.00	$ 3,235,000.00	8.77 years	3.29%

Part IV **Uses of Proceeds of Bond Issue (including underwriters' discount)**

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	3,235,000.00
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	0.00		
25	Proceeds used for credit enhancement	25	0.00		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0.00		
27	Proceeds used to currently refund prior issues	27	0.00		
28	Proceeds used to advance refund prior issues	28	0.00		
29	Total (add lines 24 through 28)			29	0.00
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	3,235,000.00

Part V **Description of Refunded Bonds.** Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

Form **8038-G** (Rev. 9-2011)

ISA

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶		
c	Enter the name of the GIC provider ▶		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶

c Enter the EIN of the issuer of the master pool obligation ▶

d Enter the name of the issuer of the master pool obligation ▶

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☒

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶

c Type of hedge ▶

d Term of hedge ▶

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☐

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☐

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Samantha D. Abell — Signature of issuer's authorized representative — Date 4/3/14

▶ Samantha Abel, City Manager — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Elizabeth E. Thomas	Elizabeth E. Thomas	4-1-2014		P01472414

Firm's name ▶ Butler Snow LLP — Firm's EIN ▶ 64-0331849

Firm's address ▶ 1300 25th Avenue, Gulfport, MS 39501 — Phone no. 228.575.3048

EQUIPMENT LEASE SCHEDULE

Lease Schedule Number 002

This Lease Schedule No. 002 to the Equipment Lease-Purchase Agreement dated as of April 4, 2014 (the "Agreement") between BancorpSouth Equipment Finance, a division of BancorpSouth Bank, a Mississippi Corporation (the "Lessor") and City of Gautier, Mississippi (the "Lessee"), acting by and through the Mayor and City Council, the Governing Body of the Lessee, is made as of this date.

1. Description of the Equipment. The quantity, item, manufacturer, and model and serial number of the Equipment subject to the Agreement are as appear on Exhibit "B-1" attached hereto and made a part hereof.

2. Location of the Equipment. The Equipment is to be delivered to Lessee's premises and will be located at several locations throughout the city.

3. Original Rental Term. The term of the Agreement shall be NaN months.

4. Rental Payments. The Lessee agrees to pay the Lessor the original cost of $3,235,000.00 for the Equipment hereof described in Exhibit "B-1" attached hereto, upon the terms, and at the times as provided in the Payment Amortization Schedule, attached hereto as Exhibit "B-2" and made a part hereof, with an interest rate of percent per annum as provided thereby.

5. This Schedule and its terms and conditions are hereby incorporated by reference in the Agreement.

DATED, this the 4th day of April, 2014.

LESSOR:	LESSEE:
BancorpSouth Equipment Finance, a division of BancorpSouth Bank	City of Gautier, Mississippi
By: _____	By: Samantha D. Abell
Title: _____	Title: City Manager

EXHIBIT B

EXHIBIT B-1

City of Gautier, Mississippi

Master Lease Number: 7335B Schedule Number: 02

Energy Services Contract / Water Meters

Prepared by: International Decision Systems, Inc.

InfoAnalysis
Payment Amortization Report

3/26/2014 2:19:49 PM
File Name: INFOA.IADX

Interest Rate: **3.2900% (Monthly)**

Per	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
0	4/ 4/14	0.00	0.00	0.00	3,235,000.00	0.00	0.00	3,235,000.00
1	5/ 4/14	0.00	0.00	0.00	3,235,000.00	8,869.29	8,869.29	3,243,869.29
2	6/ 4/14	0.00	0.00	0.00	3,235,000.00	8,893.61	17,762.90	3,252,762.90
3	7/ 4/14	0.00	0.00	0.00	3,235,000.00	8,917.99	26,680.89	3,261,680.89
4	8/ 4/14	0.00	0.00	0.00	3,235,000.00	8,942.44	35,623.33	3,270,623.33
5	9/ 4/14	0.00	0.00	0.00	3,235,000.00	8,966.96	44,590.29	3,279,590.29
	2014	0.00	0.00	0.00		44,590.29		
6	10/ 4/14	0.00	0.00	0.00	3,235,000.00	8,991.54	53,581.84	3,288,581.84
7	11/ 4/14	0.00	0.00	0.00	3,235,000.00	9,016.20	62,598.03	3,297,598.03
8	12/ 4/14	0.00	0.00	0.00	3,235,000.00	9,040.91	71,638.95	3,306,638.95
9	1/ 4/15	0.00	0.00	0.00	3,235,000.00	9,065.70	80,704.65	3,315,704.65
10	2/ 4/15	0.00	0.00	0.00	3,235,000.00	9,090.56	89,795.20	3,324,795.20
11	3/ 4/15	0.00	0.00	0.00	3,235,000.00	9,115.48	98,910.68	3,333,910.68
12	4/ 4/15	143,724.87	35,673.72	108,051.16	3,199,326.28	9,140.47	0.00	3,199,326.28
13	5/ 4/15	0.00	0.00	0.00	3,199,326.28	8,771.49	8,771.49	3,208,097.77
14	6/ 4/15	0.00	0.00	0.00	3,199,326.28	8,795.53	17,567.02	3,216,893.30
15	7/ 4/15	0.00	0.00	0.00	3,199,326.28	8,819.65	26,386.67	3,225,712.95
16	8/ 4/15	0.00	0.00	0.00	3,199,326.28	8,843.83	35,230.50	3,234,556.78
17	9/ 4/15	0.00	0.00	0.00	3,199,326.28	8,868.08	44,098.58	3,243,424.86
	2015	143,724.87	35,673.72	108,051.16		107,559.44		
18	10/ 4/15	143,724.87	90,733.91	52,990.97	3,108,592.38	8,892.39	0.00	3,108,592.38
19	11/ 4/15	0.00	0.00	0.00	3,108,592.38	8,522.72	8,522.72	3,117,115.10
20	12/ 4/15	0.00	0.00	0.00	3,108,592.38	8,546.09	17,068.81	3,125,661.19
21	1/ 4/16	0.00	0.00	0.00	3,108,592.38	8,569.52	25,638.34	3,134,230.71
22	2/ 4/16	0.00	0.00	0.00	3,108,592.38	8,593.02	34,231.35	3,142,823.73
23	3/ 4/16	0.00	0.00	0.00	3,108,592.38	8,616.58	42,847.93	3,151,440.30
24	4/ 4/16	143,724.87	92,236.75	51,488.13	3,016,355.63	8,640.20	0.00	3,016,355.63
25	5/ 4/16	0.00	0.00	0.00	3,016,355.63	8,269.84	8,269.84	3,024,625.47
26	6/ 4/16	0.00	0.00	0.00	3,016,355.63	8,292.51	16,562.36	3,032,917.99
27	7/ 4/16	0.00	0.00	0.00	3,016,355.63	8,315.25	24,877.61	3,041,233.24
28	8/ 4/16	0.00	0.00	0.00	3,016,355.63	8,338.05	33,215.65	3,049,571.28
29	9/ 4/16	0.00	0.00	0.00	3,016,355.63	8,360.91	41,576.56	3,057,932.19
	2016	287,449.75	182,970.65	104,479.09		101,957.08		
30	10/ 4/16	143,724.87	93,764.48	49,960.39	2,922,591.15	8,383.83	0.00	2,922,591.15
31	11/ 4/16	0.00	0.00	0.00	2,922,591.15	8,012.77	8,012.77	2,930,603.92
32	12/ 4/16	0.00	0.00	0.00	2,922,591.15	8,034.74	16,047.51	2,938,638.66
33	1/ 4/17	0.00	0.00	0.00	2,922,591.15	8,056.77	24,104.28	2,946,695.43

Exhibit B-2

Interest Rate: **3.2900% (Monthly)**

Per	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
34	2/ 4/17	0.00	0.00	0.00	2,922,591.15	8,078.86	32,183.13	2,954,774.28
35	3/ 4/17	0.00	0.00	0.00	2,922,591.15	8,101.01	40,284.14	2,962,875.29
36	4/ 4/17	143,724.87	95,317.52	48,407.36	2,827,273.63	8,123.22	0.00	2,827,273.63
37	5/ 4/17	0.00	0.00	0.00	2,827,273.63	7,751.44	7,751.44	2,835,025.08
38	6/ 4/17	0.00	0.00	0.00	2,827,273.63	7,772.69	15,524.14	2,842,797.77
39	7/ 4/17	0.00	0.00	0.00	2,827,273.63	7,794.00	23,318.14	2,850,591.77
40	8/ 4/17	0.00	0.00	0.00	2,827,273.63	7,815.37	31,133.51	2,858,407.15
41	9/ 4/17	0.00	0.00	0.00	2,827,273.63	7,836.80	38,970.31	2,866,243.95
	2017	287,449.75	189,082.00	98,367.75		95,761.50		
42	10/ 4/17	143,724.87	96,896.28	46,828.60	2,730,377.36	7,858.29	0.00	2,730,377.36
43	11/ 4/17	0.00	0.00	0.00	2,730,377.36	7,485.78	7,485.78	2,737,863.14
44	12/ 4/17	0.00	0.00	0.00	2,730,377.36	7,506.31	14,992.09	2,745,369.45
45	1/ 4/18	0.00	0.00	0.00	2,730,377.36	7,526.89	22,518.98	2,752,896.34
46	2/ 4/18	0.00	0.00	0.00	2,730,377.36	7,547.52	30,066.50	2,760,443.86
47	3/ 4/18	0.00	0.00	0.00	2,730,377.36	7,568.22	37,634.72	2,768,012.08
48	4/ 4/18	143,724.87	98,501.18	45,223.69	2,631,876.17	7,588.97	0.00	2,631,876.17
49	5/ 4/18	0.00	0.00	0.00	2,631,876.17	7,215.73	7,215.73	2,639,091.90
50	6/ 4/18	0.00	0.00	0.00	2,631,876.17	7,235.51	14,451.24	2,646,327.41
51	7/ 4/18	0.00	0.00	0.00	2,631,876.17	7,255.35	21,706.59	2,653,582.76
52	8/ 4/18	0.00	0.00	0.00	2,631,876.17	7,275.24	28,981.82	2,660,858.00
53	9/ 4/18	0.00	0.00	0.00	2,631,876.17	7,295.19	36,277.01	2,668,153.18
	2018	287,449.75	195,397.46	92,052.29		89,358.98		
54	10/ 4/18	143,724.87	100,132.68	43,592.20	2,531,743.50	7,315.19	0.00	2,531,743.50
55	11/ 4/18	0.00	0.00	0.00	2,531,743.50	6,941.20	6,941.20	2,538,684.69
56	12/ 4/18	0.00	0.00	0.00	2,531,743.50	6,960.23	13,901.42	2,545,644.92
57	1/ 4/19	0.00	0.00	0.00	2,531,743.50	6,979.31	20,880.73	2,552,624.23
58	2/ 4/19	0.00	0.00	0.00	2,531,743.50	6,998.44	27,879.18	2,559,622.68
59	3/ 4/19	0.00	0.00	0.00	2,531,743.50	7,017.63	34,896.81	2,566,640.31
60	4/ 4/19	143,724.87	101,791.19	41,933.68	2,429,952.31	7,036.87	0.00	2,429,952.31
61	5/ 4/19	0.00	0.00	0.00	2,429,952.31	6,662.12	6,662.12	2,436,614.43
62	6/ 4/19	0.00	0.00	0.00	2,429,952.31	6,680.38	13,342.50	2,443,294.81
63	7/ 4/19	0.00	0.00	0.00	2,429,952.31	6,698.70	20,041.20	2,449,993.51
64	8/ 4/19	0.00	0.00	0.00	2,429,952.31	6,717.07	26,758.27	2,456,710.58
65	9/ 4/19	0.00	0.00	0.00	2,429,952.31	6,735.48	33,493.75	2,463,446.06
	2019	287,449.75	201,923.87	85,525.88		82,742.62		
66	10/ 4/19	143,724.87	103,477.17	40,247.70	2,326,475.13	6,753.95	0.00	2,326,475.13
67	11/ 4/19	0.00	0.00	0.00	2,326,475.13	6,378.42	6,378.42	2,332,853.55

Interest Rate: 3.2900% (Monthly)

Per	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
68	12/ 4/19	0.00	0.00	0.00	2,326,475.13	6,395.91	12,774.33	2,339,249.46
69	1/ 4/20	0.00	0.00	0.00	2,326,475.13	6,413.44	19,187.77	2,345,662.90
70	2/ 4/20	0.00	0.00	0.00	2,326,475.13	6,431.03	25,618.79	2,352,093.93
71	3/ 4/20	0.00	0.00	0.00	2,326,475.13	6,448.66	32,067.45	2,358,542.59
72	4/ 4/20	143,724.87	105,191.08	38,533.79	2,221,284.05	6,466.34	0.00	2,221,284.05
73	5/ 4/20	0.00	0.00	0.00	2,221,284.05	6,090.02	6,090.02	2,227,374.07
74	6/ 4/20	0.00	0.00	0.00	2,221,284.05	6,106.72	12,196.74	2,233,480.79
75	7/ 4/20	0.00	0.00	0.00	2,221,284.05	6,123.46	18,320.20	2,239,604.25
76	8/ 4/20	0.00	0.00	0.00	2,221,284.05	6,140.25	24,460.45	2,245,744.50
77	9/ 4/20	0.00	0.00	0.00	2,221,284.05	6,157.08	30,617.53	2,251,901.58
	2020	287,449.75	208,668.26	78,781.49		75,905.27		
78	10/ 4/20	143,724.87	106,933.38	36,791.49	2,114,350.67	6,173.96	0.00	2,114,350.67
79	11/ 4/20	0.00	0.00	0.00	2,114,350.67	5,796.84	5,796.84	2,120,147.51
80	12/ 4/20	0.00	0.00	0.00	2,114,350.67	5,812.74	11,609.58	2,125,960.25
81	1/ 4/21	0.00	0.00	0.00	2,114,350.67	5,828.67	17,438.26	2,131,788.93
82	2/ 4/21	0.00	0.00	0.00	2,114,350.67	5,844.65	23,282.91	2,137,633.58
83	3/ 4/21	0.00	0.00	0.00	2,114,350.67	5,860.68	29,143.59	2,143,494.26
84	4/ 4/21	143,724.87	108,704.54	35,020.34	2,005,646.13	5,876.75	0.00	2,005,646.13
85	5/ 4/21	0.00	0.00	0.00	2,005,646.13	5,498.81	5,498.81	2,011,144.95
86	6/ 4/21	0.00	0.00	0.00	2,005,646.13	5,513.89	11,012.70	2,016,658.84
87	7/ 4/21	0.00	0.00	0.00	2,005,646.13	5,529.01	16,541.71	2,022,187.84
88	8/ 4/21	0.00	0.00	0.00	2,005,646.13	5,544.17	22,085.87	2,027,732.01
89	9/ 4/21	0.00	0.00	0.00	2,005,646.13	5,559.37	27,645.24	2,033,291.37
	2021	287,449.75	215,637.92	71,811.83		68,839.54		
90	10/ 4/21	143,724.87	110,505.03	33,219.85	1,895,141.11	5,574.61	0.00	1,895,141.11
91	11/ 4/21	0.00	0.00	0.00	1,895,141.11	5,195.85	5,195.85	1,900,336.95
92	12/ 4/21	0.00	0.00	0.00	1,895,141.11	5,210.09	10,405.94	1,905,547.04
93	1/ 4/22	0.00	0.00	0.00	1,895,141.11	5,224.37	15,630.31	1,910,771.42
94	2/ 4/22	0.00	0.00	0.00	1,895,141.11	5,238.70	20,869.01	1,916,010.12
95	3/ 4/22	0.00	0.00	0.00	1,895,141.11	5,253.06	26,122.07	1,921,263.18
96	4/ 4/22	143,724.87	112,335.34	31,389.53	1,782,805.77	5,267.46	0.00	1,782,805.77
97	5/ 4/22	0.00	0.00	0.00	1,782,805.77	4,887.86	4,887.86	1,787,693.63
98	6/ 4/22	0.00	0.00	0.00	1,782,805.77	4,901.26	9,789.12	1,792,594.89
99	7/ 4/22	0.00	0.00	0.00	1,782,805.77	4,914.70	14,703.82	1,797,509.58
100	8/ 4/22	0.00	0.00	0.00	1,782,805.77	4,928.17	19,631.99	1,802,437.76
101	9/ 4/22	0.00	0.00	0.00	1,782,805.77	4,941.68	24,573.67	1,807,379.44
	2022	287,449.75	222,840.37	64,609.38		61,537.81		