

**STATE OF MISSISSIPPI
COUNTY OF PEARL RIVER
CITY OF PICAYUNE**

Be It Remembered that the Mayor and City Council of the City of Picayune, Pearl River County, Mississippi, met at City Hall, 815 North Beech Street, in said City, Tuesday, March 19, 2013, at 5:00 p.m. in regular session with the following officials present: Mayor Ed Pinero, Council Members Larry Watkins, Lynn Bumpers, Todd Lane, Larry Breland and Wayne Gouguet, City Manager Jim Luke and City Clerk Amber Hinton.

It Being Determined a quorum was present, the following proceedings were held.

Opening prayer was given by Father Filken, followed by the Pledge of Allegiance led by Boy Scout Troop 351.

MOTION TO APPROVE MINUTES OF THE CITY OF PICAYUNE

Motion was made by Council Member Lane, seconded by Council Member Gouguet to approve the Minutes of the City of Picayune dated March 5, 2013.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ORDER TO ACKNOWLEDGE RECEIPT OF MONTHLY PRIVILEGE LICENSE REPORT FOR FEBRUARY 2013

Motion was made by Council Member Lane, seconded by Council Member Gouguet to acknowledge receipt of monthly privilege license report for February 2013.

Receipts	Date	Deposit To	Drawer	Type	Reference	Lookup	Citation	Name	Description	Received	Deposit Date
Dep 333646	2/05/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		29343		CHRISTIAN BURGE PHOTOGRAPHY	2012-2013 PRIVILEGE LICENSE	20.00	2/08/2013
Dep 333664	2/05/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0014222	29344		CHILDREN'S INTERNATIONAL, LLC	2012-2013 PRIVILEGE LICENSE	20.00	2/08/2013
Dep 334666	2/08/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0010013	25651		CITY REXALL DRUGS, INC	2012-2013 PRIVILEGE LICENSE	40.00	2/19/2013
Dep 334670	2/08/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		03533		MALLEY, LORI ANN	2012-2013 PRIVILEGE LICENSE	20.00	2/19/2013
Dep 336595	2/14/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0004228	14483		QUALITY TECHNICAL SERVICE	2012-2013 PRIVILEGE LICENSE	22.80	2/19/2013
Dep 336605	2/14/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0001631	25136		D & L DANCE CENTER,	2012-2013 PRIVILEGE LICENSE	34.20	2/19/2013
Dep 336782	2/15/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		27322		STATEN 2, BRUCE	2012-2013 PRIVILEGE LICENSE	39.90	2/19/2013
Dep 336784	2/15/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		12600		STATEN, BRUCE	2012-2013 PRIVILEGE LICENSE	22.80	2/19/2013
Dep 336792	2/15/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		05281		GRANNY G'S SNOWBALL	2012-2013 PRIVILEGE LICENSE	22.80	2/19/2013
Dep 337183	2/19/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		29367		JOHNSON SEAFOOD & MARKET	2012-2013 PRIVILEGE LICENSE	30.00	2/19/2013
Dep 337585	2/20/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0001614	27030		ISLAND BREEZE	2012-2013 PRIVILEGE LICENSE	20.00	3/04/2013
Dep 337667	2/20/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0001198	00079		COFFEE HOUSE LLC, WEST CANAL	2011-2012 PRIVILEGE LICENSE	24.20	3/04/2013
Dep 337669	2/20/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0001198	00079		FLORIST J E M,	2012-2013 PRIVILEGE LICENSE	23.60	3/04/2013
Dep 338039	2/21/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0010089	27236		FLORIST J E M,	2012-2013 PRIVILEGE LICENSE	22.80	3/04/2013
Dep 338480	2/22/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		29384		AVALON MARBLE LLC	2012-2013 PRIVILEGE LICENSE	20.00	3/04/2013
Dep 339138	2/27/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0024784	29407		L & M	2012-2013 PRIVILEGE LICENSE	30.00	3/04/2013
Dep 339141	2/27/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Cash		13658		SUNDAY DINNER	2012-2013 PRIVILEGE LICENSE	20.00	3/04/2013
Dep 339243	2/28/2013	GENERAL FUND - OPERATING	GENERAL FUND - Mail - Is	Check	0001008	29411		TRAVIS STUDIO INC.	2012-2013 PRIVILEGE LICENSE	20.00	3/04/2013
								ABSOLUTE CONSULTING	2012-2013 PRIVILEGE LICENSE	20.00	3/04/2013
										453.10	

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ORDER TO ACKNOWLEDGE RECEIPT OF MONTHLY PUBLIC RECORDS REQUEST REPORT FOR FEBRUARY 2013

REGULAR MEETING MARCH 19, 2013

Motion was made by Council Member Lane, seconded by Council Member Gouguet to acknowledge receipt of the monthly public records request report for February 2013.

CITY OF PICAYUNE REPORT OF PUBLIC RECORDS REQUESTS FEBRUARY 2013				
DATE	PERSON REQUESTING	SUBJECT MATTER	DATE FILLED/ DENIED	ACTION
02/28/13	PICAYUNE HOUSING AUTHORITY	#6 FINGERPRINTS	02/28/13	APPROVED
02/28/13	PROGRESSIVE INSURANCE COMPANY	ACCIDENT REPORT # 2009-10-1114	02/28/13	APPROVED
02/28/13	LEXIS NEXIS	ACCIDENT REPORT # 2009-11-2271	02/28/13	APPROVED
02/26/13	SAFeway INSURANCE COMPANY	ACCIDENT REPORT # 2013-02-2005	02/26/13	APPROVED
02/26/13	NICHOLSON ARMS APARTMENTS	RECORD'S CHECK ON DANA WAGNER	02/26/13	APPROVED
02/26/13	UNITED STATES DISTRICT COURT	#5 RECORD'S CHECKS	02/26/13	APPROVED
02/26/13	DONNA & DARRELL LINCOLN	#2 RECORD'S CHECKS	02/26/13	APPROVED
02/26/13	CITY OF PICAYUNE PUBLIC WORKS	#3 BACKGROUND CHECKS	02/26/13	APPROVED
02/26/13	SHARON WILT	ACCIDENT REPORT # 2013-02-1602	02/26/13	APPROVED
02/26/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-1697	02/26/13	APPROVED
02/26/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-1245	02/26/13	APPROVED
02/26/13	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-02-0700	02/26/13	APPROVED
02/26/13	MORRIS BART	ACCIDENT REPORT # 2013-02-1080	02/26/13	APPROVED
02/26/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-1788	02/26/13	APPROVED
02/26/13	WMS, WMS, & MONTGOMERY, PA	ACCIDENT REPORT # 2012-08-0186	02/26/13	APPROVED
02/26/13	SALINDIA GASTON	RECORD'S CHECK	02/26/13	APPROVED
02/26/13	AKEYIA TYNER	RECORD'S CHECK	02/26/13	APPROVED
02/25/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-1332	02/25/13	APPROVED
02/25/13	RONALD NORTON	ACCIDENT REPORT # 2013-02-0680	02/25/13	APPROVED
02/25/13	EMILY NUNEZ	ACCIDENT REPORT # 2013-02-1608	02/25/13	APPROVED
02/22/13	ANNIE COHN	RECORD'S CHECK	02/22/13	APPROVED
02/25/13	COREY HAYNES	RECORD'S CHECK	02/25/13	APPROVED
02/22/13	PERRY ROACH	ACCIDENT REPORT # 2013-02-0682	02/22/13	APPROVED
02/22/13	UNITED STATES DISTRICT COURT	# 4 RECORD'S CHECK	02/22/13	APPROVED
02/22/13	RONNIE DICKENS	RECORD'S CHECK	02/22/13	APPROVED
02/22/13	ERICA BOUDOUIN	RECORD'S CHECK	02/22/13	APPROVED
02/22/13	RHONDA L DERKS	COPY OF DOMESTIC REPORT # 2013-02-0905	02/22/13	APPROVED
02/22/13	UNITED STATES DISTRICT COURT	# 1 RECORD CHECK	02/22/13	APPROVED
02/22/13	KIM MELERINE	ACCIDENT REPORT # 2013-01-1865	02/22/13	APPROVED
02/21/13	CAZELINA BREAUD	GRAND LARCENY AUTO REPORT # 2013-02-0520	02/21/13	APPROVED
02/21/13	CRYSTAL GARCIA	ACCIDENT REPORT # 2013-02-1611	02/21/13	APPROVED
02/21/13	ALAN HOWE	ACCIDENT REPORT # 2012-12-1264	02/21/13	APPROVED
02/21/13	DAVID PARSON	ACCIDENT REPORT # 2013-02-0700	02/21/13	APPROVED
02/21/13	JEFF BARBER	ACCIDENT REPORT # 2013-02-1076	02/21/13	APPROVED
02/21/13	DONNA DARDEN	ACCIDENT REPORT # 2013-02-1332	02/21/13	APPROVED
02/20/13	ANDREW BURTRELL, PA	ACCIDENT REPORT # 2012-03-1816	02/20/13	APPROVED
02/20/13	MERCEDES COOK	ACCIDENT REPORT # 2013-02-0700	02/20/13	APPROVED
02/20/13	PCA INVESTIGATIONS	ACCIDENT REPORT # 2013-02-0650	02/20/13	APPROVED
02/20/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-1155	02/20/13	APPROVED
02/20/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-0585	02/20/13	APPROVED
02/20/13	LEXIS NEXIS	ACCIDENT REPORT # 2012-11-2044	02/20/13	APPROVED
02/20/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-0848	02/20/13	APPROVED
02/20/13	JANET DICHOSA-MCGRAW	ACCIDENT REPORT # 2013-02-1155	02/20/13	APPROVED
02/19/13	DAVID WATTS	ACCIDENT REPORT # 2013-02-0425	02/19/13	APPROVED
02/19/13	UNITED STATES DISTRICT COURT	# 1 RECORD'S CHECK	02/19/13	APPROVED
02/19/13	UNITED STATES DISTRICT COURT	# 3 RECORD'S CHECK	02/19/13	APPROVED
02/19/13	ANTHONY SMITH	ACCIDENT REPORT # 2013-02-0699	02/19/13	APPROVED
02/19/13	F.B.I. NICS	INCIDENT REPORT # 2012-12-0921	02/19/13	APPROVED

REGULAR MEETING MARCH 19, 2013

02/19/13	UNITED STATES DISTRICT COURT	RECORD'S CHECK ON KELVIN STALLINGS	02/19/13	APPROVED
02/19/13	F.B.I. NICS	INCIDENT REPORT # 2011-08-1514	02/19/13	APPROVED
02/19/13	UNITED STATES DISTRICT COURT	RECORD'S CHECK ON KELSEY BIENEMANN	02/19/13	APPROVED
02/19/13	UNITED STATES DISTRICT COURT	RECORD'S CHECK ON DERRICK O'NEAL	02/19/13	APPROVED
02/19/13	HILDE ENGELHARDT	COPY OF PETIT LARCENY REPORT 2012-05-2697	02/19/13	APPROVED
02/19/13	NIVARDO POLANCO HECHAVARRIA	RECORD'S CHECK	02/19/13	APPROVED
02/18/13	DONARIUS HAIR	INCIDENT REPORT # 2013-02-0597	02/18/13	APPROVED
02/19/13	CITY OF PICAYUNE PUBLIC WORKS	RECORD'S CHECK ON ROGERS EARL BROWN	02/19/13	APPROVED
02/19/13	HANCOCK COUNTY YOUTH COURT	RECORD'S CHECK ON JOHN ERIC HOLDEN	02/19/13	APPROVED
02/15/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-01-2531	02/15/13	APPROVED
02/15/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-0298	02/15/13	APPROVED
02/14/13	REV CLAIM	RECORD'S CHECK ON KENYATA MURPHY	02/14/13	APPROVED
02/14/13	JAZMINE BARR	ACCIDENT REPORT # 2013-02-0699	02/14/13	APPROVED
02/14/13	BEVERLY G SWAIM	GRAND LARCENY REPORT # 2012-11-0316	02/14/13	APPROVED
02/13/13	NURSING MANAGEMENT, INC	RECORD'S CHECK ON KOURTNEY DOVER	02/13/13	APPROVED
02/12/13	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-01-2276	02/12/13	APPROVED
02/11/13	ROBERT HEATH	ACCIDENT REPORT # 2012-01-2016	02/11/13	APPROVED
02/11/13	MARISSA MCCORMICK	RECORD'S CHECH	02/11/13	APPROVED
02/11/13	CLYDE DAVIS	ACCIDENT REPORT # 2013-01-2531	02/11/13	APPROVED
02/11/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-0473	02/11/13	APPROVED
02/11/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-02-0248	02/11/13	APPROVED
02/08/13	CATHA CONNELLY	ACCIDENT REPORT # 2013-01-1865	02/08/11	APPROVED
02/11/13	JENNIFER CASTILLOW	RECORD'S CHECK	02/11/13	APPROVED
02/08/13	NICHOLSON ARMS APARTMENTS	RECORD'S CHECK ON MARANDA BONHOMME	02/08/13	APPROVED
02/08/13	HANCOCK COUNTY YOUTH COURT	RECORD'S CHECK	02/08/13	APPROVED
02/08/13	DEPT OF PUBLIC SAFETY & CORRECTIONS	RECORD'S CHECK	02/08/13	APPROVED
02/07/13	MORRIS BART ATTORNEYS AT LAW	ACCIDENT REPORT # 2013-01-2531	02/07/13	APPROVED
02/07/13	PROGRESSIVE GULF INSURANCE	RECORD'S CHECK ON KENYATA MURPHY	02/07/13	APPROVED
02/06/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-01-2451	02/06/13	APPROVED
02/06/13	DAVID SCHWARZ	IDENTITY THEFT REPORT	02/06/13	APPROVED
02/08/13	MISSISSIPPI DEPARTMENT OF CORRECTIONS	FELONY REPORT # 2012-12-2047	02/08/13	APPROVED
02/06/13	F.B.I. NICS	INCIDENT REPORT	02/06/13	DENIED
02/06/13	ELAINE THOMPSON	RECORD'S CHECK	02/06/13	APPROVED
02/06/13	UNITED STATES DISTRICT COURT	# 4 RECORD'S CHECK	02/06/13	APPROVED
02/05/13	HARTWOOD SAMPEY	ACCIDENT REPORT # 2013-01-2789	02/05/13	APPROVED
02/05/13	CINDY WEISKOPF	COPY OF CAD NOTES # 2012-09-0952	02/05/13	APPROVED
02/50/13	JUDY WILLIAMS	ACCIDENT REPORT # 2013-02-0248	02/05/13	APPROVED
02/05/13	MORRIS BART ATTORNEYS AT LAW	ACCIDENT REPORT # 2012-02-1063	02/05/13	APPROVED
02/05/13	LEXIS NEXIS	ACCIDENT REPORT #2013-01-2776	02/05/13	APPROVED
02/05/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-01-2451	02/05/13	APPROVED
02/01/13	SHAYOLOANDA MOSS	ACCIDENT REPORT # 2013-01-2605	02/01/13	APPROVED
02/05/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-01-2197	02/05/13	APPROVED
02/05/13	MORRIS BART ATTORNEYS AT LAW	ACCIDENT REPORT # 2013-01-2197	02/05/13	APPROVED
02/05/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-01-2016	02/05/13	APPROVED
02/04/13	MARION WALTHALL CF	JAIL TIME ALLOTMENT FORM	02/04/13	APPROVED
02/05/13	LEXIS NEXIS	ACCIDENT REPORT # 2013-01-1579	02/05/13	APPROVED
02/05/13	METROPOLITAN REPORTING BUREAU	ACCIDENT REPORT # 2013-01-1402	02/05/13	APPROVED
02/01/13	BRITTANY DEUBLER	ACCIDENT REPORT # 2013-01-1390	02/01/13	APPROVED

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO ACCEPT MONTHLY BUDGET REPORT

Motion was made by Council Member Lane, seconded by Council Member Gouguet to accept the monthly budget report for the month of February 2013.

**AF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:18 AM

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
351-000-341.01-000-000 RENT T-HANGARS	60,600	6,200	53,540	23,185	30,355	88
351-000-341.02-000-000 GROUND LEASES	13,950	0	7,360	5,438	1,912	56
351-000-374.00-000-000 FUEL SALES	6,000	292	2,785	2,500	285	46
Total Revenues	79,650	6,492	63,675	31,123	32,552	80
Expenditures						
Airport Expenses						
PERSONNEL	57,008	3,956	19,780	23,753	3,973	35
SUPPLIES	500	0	91	208	117	18
OUTSIDE SERVICES	53,140	2,826	18,282	40,224	21,942	34
Total Airport Expenses	110,648	6,782	38,153	64,185	26,032	34
Total Expenditures	110,648	6,782	38,153	64,185	26,032	34
Excess Revenue Over (Under) Expenditures	(30,998)	(290)	25,522	(33,062)	6,520	82

**CF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
406-000-211.00-000-000 RECORDING FEES	300	0	132	125	7	44
406-000-340.00-000-000 INTEREST INCOME	300	17	98	125	(27)	33
406-000-380.01-000-000 TRANSFER FROM GENERAL FUND	14,000	1,167	8,208	5,833	2,375	59
406-000-392.00-000-000 SALE OF LOTS	20,000	0	4,257	8,333	(4,076)	21
Total Revenues	34,600	1,184	12,695	14,416	(1,721)	37
Expenditures						
Cemetery Expenses						
PERSONNEL	17,669	4,192	22,625	7,362	(15,263)	128
SUPPLIES	7,960	395	2,580	3,326	746	32
OUTSIDE SERVICES	3,269	509	914	1,362	448	28
CAPITAL OUTLAY	5,205	4,163	4,163	535	(3,628)	80
Total Cemetery Expenses	34,123	9,259	30,282	12,585	(17,697)	89
Total Expenditures	34,123	9,259	30,282	12,585	(17,697)	89
Excess Revenue Over (Under) Expenditures	477	(8,075)	(17,587)	1,831	15,976	(3,687)

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**ED Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

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Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
110-043-340.00-000-000 INTEREST INCOME	75	21	112	31	81	150
110-043-340.01-000-000 INTEREST INCOME - FARMER FRESH	0	1,464	7,362	0	7,362	0
110-043-341.00-000-000 RENT	67,737	0	0	28,224	(28,224)	0
110-043-341.03-000-000 RAIL SPUR LEASE - SHALE SUPPORT SERV	0	2,000	2,000	0	2,000	0
110-043-341.04-000-000 LAND LEASE - SHALE SUPPORT SERV	0	4,771	4,771	0	4,771	0
110-402-260.00-000-000 SALES TAX-TOURISM	467,505	37,207	179,566	194,794	(15,228)	38
110-402-314.00-000-000 PARK BLDG RENTAL FEES	2,500	540	1,015	1,042	(27)	41
110-402-314.06-000-000 PARK TOURNAMENT FEES	1,000	0	325	417	(92)	33
110-402-314.07-000-000 PARK CONCESSION REVENUE	100	0	0	42	(42)	0
110-402-340.00-000-000 INTEREST INCOME-TOURISM	400	45	239	167	72	60
Total Revenues	539,317	46,048	195,390	224,717	(29,327)	36
Expenditures						
Sale of Lots Expenses						
OUTSIDE SERVICES	5,000	0	21	2,083	2,062	0
CAPITAL OUTLAY	5,000	0	0	2,083	2,083	0
Total Sale of Lots Expenses	10,000	0	21	4,166	4,145	0
Recreation Expenses						
PERSONNEL	127,520	9,531	47,064	53,134	6,070	37
SUPPLIES	26,900	1,930	10,260	11,208	948	38
OUTSIDE SERVICES	84,000	5,144	58,988	35,000	(23,988)	70
Total Recreation Expenses	238,420	16,605	116,312	99,342	(16,970)	49
Retirement Development Expenses						
PERSONNEL	4,093	0	0	1,705	1,705	0
SUPPLIES	0	0	272	0	(272)	0
OUTSIDE SERVICES	0	14	1,867	0	(1,867)	0
Total Retirement Development Expenses	4,093	14	2,139	1,705	(434)	52
Total Expenditures	252,513	16,619	118,472	105,213	(13,259)	47
Excess Revenue Over (Under) Expenditures	286,804	29,429	76,918	119,504	(16,068)	27

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**GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
001-000-200.00-000-000 AD VALORM TAXES-CURRENT	1,287,159	573,300	877,139	536,316	340,823	68
001-000-201.00-000-000 ALITO AND MOBILE HOME	235,596	21,381	87,934	98,165	(10,231)	37
001-000-202.00-000-000 PERSONAL TAXES	323,246	230,344	280,518	134,686	145,832	87
001-000-203.00-000-000 AD VALORM-DELINQUENT	1,000	220	861	417	444	86
001-000-210.00-000-000 PENALTIES & INTEREST	35,000	470	2,426	14,563	(12,157)	7
001-000-214.00-000-000 TAX COLLECTION COSTS	80,000	30,579	46,413	33,333	13,080	58
001-000-220.00-000-000 PRIVILEGE LICENSES	30,000	453	12,431	12,500	(69)	41
001-000-220.01-000-000 LIQUOR PRIVILEGE TAX	4,275	1,350	3,150	1,781	1,369	74
001-000-221.00-000-000 FRANCHISE CHARGES-UTILITIES	615,000	8,109	276,339	256,250	20,089	45
001-000-222.00-000-000 BUILDING PERMITS	40,000	999	24,972	16,667	8,305	62
001-000-223.00-000-000 PLANNING/ZONING APPLICATIONS	20,000	276	3,484	2,234	2,234	116
001-000-224.00-000-000 LOT CLEAN UP	27,500	3,258	5,096	8,333	(3,237)	25
001-000-241.00-000-000 FEDERAL PAYMENT IN LIEU OF	10,000	0	26,811	11,458	15,353	97
001-000-245.01-000-000 STATE WIRELESS FUND	16,220	1,624	1,624	4,167	(4,167)	0
001-000-247.02-000-000 BULLET PROOF VEST	17,500	0	12,856	6,758	(5,134)	10
001-000-250.00-000-000 MUNICIPAL-STATE AID	120,000	0	0	50,000	(50,000)	0
001-000-251.00-000-000 HOMESTEAD EXEMPTION REIMB.	78,277	0	35,603	32,615	2,988	45
001-000-256.00-000-000 DRUG/ALCOHOL CM GRANT	3,960,000	312,497	1,664,667	1,650,000	14,667	42
001-000-262.01-000-000 MUN. FIRE REBATE FUND - FOR LTD	55,547	0	0	23,145	(23,145)	0
001-000-262.02-000-000 1/4 MILL LEVY FIRE PROTECTION	18,921	8,888	13,467	7,884	5,583	71
001-000-262.03-000-000 MUN. FIRE REBATE FUNDS-FOR CODE	1,831	0	0	763	(763)	0
001-000-263.00-000-000 POLICE MINIMUM STANDARDS	15,000	0	9,000	6,250	2,750	60
001-000-264.00-000-000 PRC ANIMAL SHELTER	6,500	437	2,431	2,708	(277)	37
001-000-271.00-000-000 ROAD & BRIDGE TAXES	220,000	99,819	147,050	91,667	55,383	67
001-000-276.00-000-000 SCHOOL PATROL	139,140	0	0	57,975	(57,975)	0
001-000-288.00-000-000 MUN COURT WARRANT OFFICER	12,000	1,664	5,892	5,000	892	49
001-000-330.00-000-000 COURT FINES & FEES	315,000	43,672	152,086	131,250	20,836	48
001-000-334.00-000-000 SPECIAL POLICE SERVICE	22,500	1,225	8,928	9,375	(447)	40
001-000-335.00-000-000 POLICE EQUIP ASSESSMENTS	1,000	80	348	417	(69)	35
001-000-336.05-000-000 COLLECTION FEE	1,000	0	3	417	(414)	0
001-000-338.10-000-000 MUNICIPAL COURT EVIDENCE	10,200	1,555	5,441	4,250	1,191	53
001-000-340.00-000-000 INTEREST EARNED	20,000	3,125	10,447	8,333	2,114	52
001-000-346.00-000-000 FIRE DEPARTMENT DONATIONS	0	0	1,189	0	1,189	0
001-000-346.10-000-000 SUMMER YOUTH CAMP DONATION	0	0	1,130	0	1,130	0
001-000-355.00-000-000 MISCELLANEOUS INCOME	14,000	2,036	162,981	5,833	157,148	1,164
001-000-380.03-000-000 TRANSFER FROM UTILITY FUND	0	0	300,000	0	300,000	0
001-000-380.05-000-000 TRANSFER FROM CAP PROJ-NEW CITY HALL EXPANSION/RENOVATION PROJ	0	243,783	243,783	0	243,783	0
001-092-301.00-000-000 BRICK BY BRICK PROGRAM	0	0	6,142	0	6,142	0
001-092-302.00-000-000 DEPOT BRICK PROGRAM	0	0	631	0	631	0
PROCEEDS						
PROCEEDS						
Total Revenues	7,766,411	1,591,144	4,433,273	3,231,838	1,201,435	57
Expenditures						

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**GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
<u>Municipal Council Expenses</u>						
PERSONNEL	88,949	5,119	25,023	28,729	3,706	36
SUPPLIES	500	813	813	208	(605)	163
OUTSIDE SERVICES	64,150	30,667	68,155	26,729	(41,426)	106
CAPITAL OUTLAY	0	203,862	936,523	0	(936,523)	0
Total Municipal Council Expenses	133,599	240,461	1,030,514	55,666	(974,848)	771
<u>Municipal Court Expenses</u>						
PERSONNEL	251,243	17,687	86,814	104,684	17,870	35
SUPPLIES	4,000	0	2,281	1,667	(614)	57
OUTSIDE SERVICES	54,750	4,544	23,072	22,813	(259)	42
Total Municipal Court Expenses	309,993	22,231	112,167	129,164	16,987	36
<u>City Attorney Expenses</u>						
PERSONNEL	9,516	711	3,490	3,965	475	37
OUTSIDE SERVICES	20,000	2,255	8,024	8,333	309	40
Total City Attorney Expenses	29,516	2,966	11,514	12,298	784	39
<u>City Manager Expenses</u>						
PERSONNEL	106,600	10,094	50,008	44,417	(5,591)	47
SUPPLIES	7,500	664	3,219	3,124	(95)	43
OUTSIDE SERVICES	16,300	1,692	8,664	6,791	(1,873)	53
CAPITAL OUTLAY	10,876	10,876	10,876	5,829	(5,047)	100
Total City Manager Expenses	141,276	23,326	72,767	60,161	(12,606)	52
<u>General Services Expenses</u>						
PERSONNEL	16,371	1,275	7,218	6,822	(396)	44
SUPPLIES	7,700	1,157	3,004	3,208	204	39
OUTSIDE SERVICES	216,500	11,823	213,344	90,208	(123,136)	99
Total General Services Expenses	240,571	14,255	223,566	100,238	(123,328)	93
<u>Financial Expenses</u>						
PERSONNEL	135,942	9,619	47,671	56,644	8,973	35
SUPPLIES	7,500	2,086	6,680	3,125	(3,555)	89
OUTSIDE SERVICES	69,400	13,848	34,942	28,916	(6,026)	50
Total Financial Expenses	212,842	25,553	89,293	88,685	(608)	42
<u>Code Enforcement Expenses</u>						
PERSONNEL	140,564	10,519	52,171	58,568	6,397	37
SUPPLIES	4,200	8	2,035	1,750	(285)	48
OUTSIDE SERVICES	21,500	1,607	7,924	8,958	1,034	37
Total Code Enforcement Expenses	166,264	12,134	62,130	69,276	7,146	37
<u>Police Administration Expenses</u>						
PERSONNEL	223,045	16,192	81,922	92,935	11,013	37
SUPPLIES	6,500	487	1,224	2,708	1,484	19
OUTSIDE SERVICES	55,400	3,024	23,759	27,666	3,907	43
CAPITAL OUTLAY	8,651	0	0	3,605	3,605	0
Total Police Administration Expenses	293,596	19,703	106,905	126,914	20,009	36

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**GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
<u>Patrol & Investigations Expenses</u>						
PERSONNEL	1,249,388	105,245	505,641	520,579	14,938	40
SUPPLIES	136,000	10,800	54,828	58,750	3,922	40
OUTSIDE SERVICES	79,750	3,036	51,263	33,230	(18,033)	64
CAPITAL OUTLAY	7,968	166	3,191	3,153	(38)	42
Total Patrol & Investigations Expenses	1,472,706	119,247	614,923	615,712	789	42
<u>Domestic Violence Grant Expenses</u>						
<u>Custody of Prisoners Expenses</u>						
PERSONNEL	155,062	11,339	56,836	64,609	7,773	37
SUPPLIES	39,000	4,560	21,056	16,251	(4,805)	54
OUTSIDE SERVICES	15,500	220	1,657	6,458	4,801	11
Total Custody of Prisoners Expenses	209,562	16,119	79,549	87,318	7,769	38
<u>Alcohol Countermeasures Grant Expenses</u>						
PERSONNEL	0	0	1,709	0	(1,709)	0
Total Alcohol Countermeasures Expenses	0	0	1,709	0	(1,709)	0
<u>Records & Communications Expenses</u>						
PERSONNEL	376,623	29,517	151,091	156,926	5,835	40
SUPPLIES	7,000	503	5,878	2,916	(2,962)	84
OUTSIDE SERVICES	20,800	983	11,346	8,667	(2,679)	55
Total Records & Communications Expenses	404,423	31,003	168,315	168,509	194	42
<u>School Patrol Expenses</u>						
PERSONNEL	126,189	10,076	51,122	52,579	1,457	41
SUPPLIES	6,500	318	2,668	2,709	41	41
OUTSIDE SERVICES	2,750	179	442	1,146	704	16
Total School Patrol Expenses	135,439	10,573	54,232	56,434	2,202	40
<u>Animal Control Expenses</u>						
PERSONNEL	34,692	0	7,381	14,456	7,075	21
SUPPLIES	766	73	400	319	(81)	52
OUTSIDE SERVICES	48,050	3,759	19,948	20,021	73	42
Total Animal Control Expenses	83,508	3,832	27,729	34,796	7,067	33
<u>Fire Department Expenses</u>						
PERSONNEL	2,001,147	142,303	719,366	833,812	114,446	36
SUPPLIES	52,519	3,130	15,908	23,469	7,561	30
OUTSIDE SERVICES	62,200	6,001	32,198	25,916	(6,282)	52
Total Fire Department Expenses	2,115,866	151,434	767,472	883,197	115,725	36
<u>Streets & Drainage Expenses</u>						
PERSONNEL	348,288	31,233	147,525	145,119	(2,406)	42
SUPPLIES	101,500	19,534	68,339	36,458	(31,881)	67
OUTSIDE SERVICES	311,200	28,729	147,486	135,500	(11,986)	47
CAPITAL OUTLAY	14,250	5,854	5,854	5,938	84	41
Total Streets & Drainage Expenses	775,238	85,350	369,204	323,015	(46,189)	48

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**GF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

Page: 4

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
<u>Grounds & Beautification Expenses</u>						
PERSONNEL	420,798	30,260	151,577	175,332	23,755	36
SUPPLIES	96,119	2,130	27,559	40,050	12,491	29
OUTSIDE SERVICES	16,250	1,827	8,337	6,770	(1,567)	51
CAPITAL OUTLAY	0	0	283	0	(283)	0
Total Grounds & Beautification Expenses	533,167	34,217	187,756	222,152	34,396	35
<u>Equipment Maintenance Expenses</u>						
PERSONNEL	44,769	2,395	11,957	18,655	6,698	27
SUPPLIES	10,800	135	685	4,417	3,732	6
OUTSIDE SERVICES	11,800	550	2,854	4,916	2,062	24
Total Equipment Maintenance Expenses	67,169	3,080	15,496	27,988	12,492	23
Total Expenditures	7,324,735	815,484	3,995,241	3,061,523	(933,718)	55
Excess Revenue Over (Under) Expenditures	431,676	775,660	438,032	170,315	2,135,153	101

**UF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Revenues						
405-000-230.02-000-000 EPA WTRWSTWTR INFRA IMP	0	0	509,044	0	509,044	0
GRANT						
405-000-340.00-000-000 INTEREST INCOME	7,500	634	3,139	3,125	14	42
405-000-340.01-000-000 CD Interest Earned-Bond & Ins.	400	0	0	167	(167)	0
405-000-340.02-000-000 CD Interest Earned-Sew.Impr.	100	0	0	42	(42)	0
405-000-340.03-000-000 CD Interest Earned-Meter	1,500	0	0	625	(625)	0
405-000-351.02-000-000 MISC TAP INCOME	20,000	0	7,300	8,333	(1,033)	37
405-000-355.00-000-000 MISC INCOME	60,000	6,703	82,069	25,000	57,069	137
405-000-355.01-000-000 MISC INCOME BAGS	4,000	424	1,847	1,667	180	46
405-000-360.01-000-000 METERED SALES WATER	1,656,138	125,634	641,654	690,058	(48,404)	39
405-000-360.02-000-000 METERED SALES GAS	1,625,934	223,449	962,765	677,473	285,282	59
405-000-362.00-000-000 SERVICE CONNECTION CHARGES	2,000	100	600	833	(233)	30
405-000-364.00-000-000 UTILITY LATE CHARGES	145,000	10,870	58,984	60,417	(1,423)	41
405-000-365.00-000-000 GARBAGE REVENUE	915,000	79,416	390,250	381,250	9,000	43
405-000-393.02-000-000 SALE OF EQUIPMENT & MACHINERY	0	0	4,394	0	4,394	0
Total Revenues	4,437,572	447,230	2,662,046	1,848,990	813,056	60
Expenditures						
Intrafund Transfers Expenses						
TRANSFERS	125,000	10,417	347,917	52,083	(295,834)	278
Total Intrafund Transfers Expenses	125,000	10,417	347,917	52,083	(295,834)	278
Utility Administration Expenses						
PERSONNEL	527,586	43,937	217,183	219,827	2,644	41
SUPPLIES	30,000	2,703	9,326	12,500	3,174	31
OUTSIDE SERVICES	220,250	18,600	116,328	91,772	(24,556)	53
CAPITAL OUTLAY	0	23,340	61,367	0	(61,367)	0
Total Utility Administration Expenses	777,836	88,580	404,204	324,099	(80,105)	52
Director of Public Works Expenses						
PERSONNEL	157,841	12,114	57,569	65,767	8,198	36
SUPPLIES	9,945	1,477	7,913	4,144	(3,769)	80
OUTSIDE SERVICES	76,893	13,698	50,479	32,038	(18,441)	66
CAPITAL OUTLAY	0	3,125	4,659	0	(4,659)	0
Total Director of Public Works Expenses	244,679	30,414	120,620	101,949	(18,671)	49
Water Regulations Expenses						
PERSONNEL	37,417	2,893	14,898	15,591	693	40
SUPPLIES	18,278	1,919	12,696	7,615	(5,081)	69
OUTSIDE SERVICES	6,048	3,327	2,877	2,520	(357)	48
Total Water Regulations Expenses	61,743	8,139	30,471	25,726	(4,745)	49
Well and Pump Maintenance Expenses						
SUPPLIES	33,308	13	504	13,879	13,375	2
OUTSIDE SERVICES	66,197	5,297	25,097	27,582	2,485	38

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**UF Statement of Activity - MTD and YTD with Budget
City of Picayune
For 2/28/2013**

Run: 3/14/2013 at 10:19 AM

Financial Report	Annual Budget	M-T-D Actual	Y-T-D Actual + Encumbrances	Y-T-D Budget	Variance	Percent YTD
Total Well and Pump Maintenance Expenses	99,505	5,310	25,601	41,461	15,860	26
Sewer Construction Expenses	0	0	509,044	0	(509,044)	0
CAPITAL OUTLAY	0	0	509,044	0	(509,044)	0
Total Sewer Construction Expenses	0	0	509,044	0	(509,044)	0
Utility Construction Expenses	131,790	10,582	53,290	54,913	1,623	40
PERSONNEL	37,041	2,033	9,832	15,434	5,602	27
SUPPLIES	33,434	212	7,896	13,930	6,034	24
OUTSIDE SERVICES	202,265	12,827	71,018	84,277	13,259	35
Total Utility Construction Expenses	131,790	10,582	53,290	54,913	1,623	40
Water Operations Expenses	312,427	20,353	100,296	130,178	29,882	32
PERSONNEL	100,915	8,966	41,173	42,048	875	41
SUPPLIES	17,818	5,056	11,964	7,423	(4,541)	67
OUTSIDE SERVICES	133,177	0	50,730	55,491	4,761	38
CAPITAL OUTLAY	564,337	34,375	204,163	235,140	30,977	36
Total Water Operations Expenses	312,427	20,353	100,296	130,178	29,882	32
Gas Operations Expenses	229,874	13,458	89,159	95,781	6,622	39
PERSONNEL	826,146	61,285	368,777	344,227	(24,560)	45
SUPPLIES	83,336	883	23,632	34,723	11,091	28
OUTSIDE SERVICES	1,139,356	75,626	481,568	474,731	(6,837)	42
Total Gas Operations Expenses	229,874	13,458	89,159	95,781	6,622	39
Garbage Expenses	810,000	70,836	283,058	337,500	54,442	35
GARBAGE EXPENSES	810,000	70,836	283,058	337,500	54,442	35
Total Garbage Expenses	810,000	70,836	283,058	337,500	54,442	35
Loan Interest Expenses	0	2,551	19,132	0	(19,132)	0
INTEREST EXPENSE	0	2,551	19,132	0	(19,132)	0
Total Loan Interest Expenses	0	2,551	19,132	0	(19,132)	0
Total Expenditures	4,024,721	339,075	2,496,796	1,676,966	(819,830)	62
Excess Revenue Over (Under) Expenditures	412,851	108,155	165,250	172,024	1,632,866	40

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The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT DONATIONS FOR THE PLAZA GARDEN

Motion was made by Council Member Breland, seconded by Council Member Lane to accept donations for the Plaza Garden from Katherine Furr, Angela Hill and Tony Smith totaling \$450.00.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE THE PRELIMINARY OFFICIAL STATEMENT FOR COMBINED UTILITY SYSTEM BONDS SERIES 2013

Motion was made by Council Member Watkins, seconded by Council Member Gouguet to approve the Preliminary Official Statement for the sale of three million dollars Combined Utility System Bonds, Series 2013.

RESOLUTION AUTHORIZING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF THREE MILLION DOLLARS (\$3,000,000) COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 OF THE CITY OF PICAYUNE, MISSISSIPPI.

WHEREAS, pursuant to resolutions of the Mayor and City Council (the "**Governing Body**") of the City of Picayune, Mississippi (the "**City**") adopted on November 20, 2012, and December 18, 2012, the Governing Body is now authorized and empowered by the provisions of Section 21-27-23 and 21-27-41 through 21-27-69, Mississippi Code of 1972, as amended from time to time (the "Act") to issue Three Million Dollars (\$3,000,000) Combined Utility System Revenue Bonds, Series 2013, of the City to be dated as of April 1, 2013 (the "**Bonds**"); and

WHEREAS, the City Clerk of the City is receiving bids until the hour of 4:30 o'clock P.M. on April 2, 2013, for subsequent presentation to the Governing Body of the City at its regular scheduled meeting of 5:00 o'clock P.M. on April 2, 2013, for the sale of the Bonds; and

WHEREAS, it is necessary to approve the Preliminary Official Statement for the Bond and the distribution thereof to prospective purchasers of the Bond; and

WHEREAS, if in the opinion of the City, Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Bond Counsel (the "**Bond Counsel**"), and Government Consultants, Inc., Jackson, Mississippi, as financial advisor (the "**Financial Advisor**"), a supplement or amendment to the Preliminary Official Statement and/or Official Statement is necessary to provide proper disclosure for the Bonds, the Governing Body of the City desires to authorize (a) the Bond Counsel acting as disclosure 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 Bond Counsel acting as disclosure counsel, and (b) the Bond Counsel 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 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Governing Body, acting for and on behalf of the City, as follows:

SECTION 1. The Governing Body of the City adopts this Resolution pursuant to the Act and all matters and things recited in the premises and preamble of this Resolution are found and determined to be true and accurate.

SECTION 2. That the Governing Body of the City hereby approves, adopts and ratifies the Preliminary Official Statement for the sale of the Bond in the form attached hereto as **EXHIBIT A**, and hereby authorizes the Mayor and City Clerk of the Governing Body to sign a Preliminary Official Statement in substantially the same form for and on behalf of said Governing Body.

SECTION 3. The City deems the Preliminary Official Statement to be "final" as described in SEC Rule 15c2-12(b)(1) (the "**Rule**") for the purposes of such Rule.

SECTION 4. That the distribution of copies of said Preliminary Official Statement to prospective purchasers of the Bond is hereby authorized and ratified.

SECTION 5. If in the opinion of the Bond 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 Bonds, the Governing Body of the City hereby authorizes (a) the Bond Counsel acting as disclosure 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 Bond Counsel acting as disclosure counsel, and (b) the Bond Counsel 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 Bonds, with the distribution of such supplement or amendment being conclusive evidence of the approval of the Governing Body.

SECTION 6. That the City hereby certifies that it is in compliance with the continuing disclosure requirements of the Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule") in connection with all applicable bond issues sold, issued and delivered by the City since July 1, 1995 and authorizes the Mayor and City Clerk of the Governing Body to execute the Certificate of the Mayor and City Council of the City of Picayune, Mississippi attached hereto as **EXHIBIT B** in connection with the disclosure requirements regarding the distribution of the above referenced Preliminary Official Statement to prospective purchasers of the Bonds.

SECTION 7. 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.

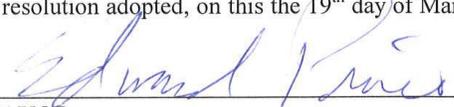
SECTION 8. For cause, this resolution shall become effective immediately upon the adoption thereof.

The above and foregoing resolution having been first reduced to writing was considered section by section and then as a whole, having been introduced by Councilperson Watkins, was duly seconded for adoption by Councilperson Gouquet and upon a vote being called, received the following vote:

Mayor Ed Pinero	Voted: Yea
Council Member Larry Watkins	Voted: Yea
Council Member Lynn Bogan Bumpers	Voted: Yea
Council Member Jason Todd Lane	Voted: Yea
Council Member Larry Breland	Voted: Yea
Council Member Wayne Gouquet	Voted: Yea

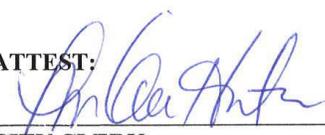
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The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted, on this the 19th day of March, 2013.



MAYOR

ATTEST:



CITY CLERK

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

**APPROVE THE BOND RESOLUTION AUTHORIZING AND DIRECTING THE
ISSUANCE OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013**

Motion was made by Council Member Lane, seconded by Council Member Watkins to approve the Bond Resolution authorizing and directing the issuance of Combined Utility System Revenue Bonds, Series 2013.

RESOLUTION (I) AUTHORIZING AND DIRECTING THE ISSUANCE OF COMBINED UTILITY SYSTEM REVENUE BONDS, SERIES 2013 (THE "BONDS") OF THE CITY OF PICAYUNE, MISSISSIPPI (THE "CITY") IN THE PRINCIPAL AMOUNT OF THREE MILLION DOLLARS (\$3,000,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR (A) IMPROVING, REPAIRING, AND EXTENDING THE GAS LINES OF THE COMBINED UTILITY SYSTEM OF THE CITY AND (B) PAYMENT OF COSTS OF ISSUANCE FOR THE BONDS; (II) PRESCRIBING THE FORM AND INCIDENTS OF SAID BONDS; (III) PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF THE COMBINED UTILITY SYSTEM OF THE CITY IN AN AMOUNT SUFFICIENT TO PAY THE COST OF THE OPERATION AND MAINTENANCE THEREOF AND TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS; (IV) FUNDING A DEBT SERVICE RESERVE FUND; (V) MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF SAID BONDS; AND (VI) FOR RELATED PURPOSES.

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

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

"*Act*" shall mean Sections 21-27-23 and 21-27-41 through 21-27-69 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

"*Act of Bankruptcy*" shall mean the filing of a petition in bankruptcy by or against the City under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"*Additional Bonds*" shall mean bonds issued on a parity of lien with the Bonds pursuant to the requirements of this Bond Resolution.

"*Agent*" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, and herein designated by the Governing Body.

"*Annual Debt Service Requirement*" means for any Fiscal Year the sum of all amounts required to pay principal (at maturity or upon mandatory redemption other than redemption pursuant to mandatory sinking fund payments), the amount of any sinking fund requirement in any year in which such payment is mandatory (including for the year in which such obligations shall be redeemed from the sinking fund only such amount as was not required to be funded prior to such year) and interest due on all Bonds and any Additional Bonds outstanding.

"Authorized Officer" means the Mayor of the City, the Clerk of the City and any other officer designated from time to time as an Authorized Officer by resolution of the City, and when used with reference to any act or document also means any other Person authorized by resolution of the City to perform such act or sign such document.

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the Beneficial Owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subrogee.

"Bond" or "Bonds" shall mean the Combined Utility System Revenue Bonds, Series 2013, of the City in the principal amount of not to exceed \$3,000,000 authorized and directed to be issued in this Bond Resolution.

"Bond and Interest Fund" shall mean City of Picayune Combined Utility System Revenue Bonds, Series 2013 Bond and Interest Fund of the City established and described in Section 17 herein.

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

"Bond Resolution" shall mean this resolution.

"Bond Year" means the period beginning on the date of delivery of the Bonds and ending on April 1, 2014 and thereafter each one-year period during the term of the Bonds beginning on April 2 of each year and ending on April 1 of the following year.

"Bondholder" or "Bondholders" or "Holder" or "Holders" or any similar term shall mean the registered owner of any Bond.

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds as described in Section 4(b) herein.

"Business Day" shall mean a day which is not (a) a Saturday, Sunday or legal holiday on which banking institutions generally in the State or the state in which the principal corporate trust office of the Paying Agent is located, are authorized by law to close, (b) a day on which the New York Stock Exchange is closed, or (c) a day on which the Federal Reserve Bank of Atlanta, New Orleans branch is closed.

"City" shall mean the City of Picayune, Mississippi

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

"Closing" shall mean the date of delivery of the Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended or supplemented from time to time.

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"Construction Fund" shall mean the City of Picayune Combined Utility System Revenue Bonds, Series 2013 Construction Fund provided for in Section 16 hereof.

"Construction Project" shall mean providing funds to improve, repair, and extend the gas lines of the system of the City.

"Consulting Engineers" shall mean any engineer or engineering firm subsequently employed for the purposes set out in Section 23 herein.

"Cost of the Construction Project" shall mean the cost of acquisition and construction of the Construction Project and, without intending thereby to limit or restrict any proper definition of such term under the provisions of the Act or this Bond Resolution, shall include the following:

(a) Obligations incurred for labor and materials and for contractors, builders and materialmen in connection with construction, for machinery and equipment, for the restoration or relocation of property damaged or destroyed in connection with such construction, for the removal or relocation of structures and for the clearing of lands;

(b) The cost of acquiring by purchase, if such purchase shall be deemed expedient, and the amount of any deposit in court or award or final judgment in or any settlement or compromise of any proceeding to acquire by eminent domain, such lands, property, property rights, rights-of-way, easements, franchises, licenses, options and partial payments thereon, the cost of demolishing or removing or relocating any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, and the amount of any damages incident to or consequent upon the construction and operation of the Project;

(c) Taxes or other municipal or governmental charges lawfully levied or assessed during construction upon the Construction Project or any property acquired therefor, and premiums on insurance (if any) in connection with the Construction Project during construction;

(d) The cost of borings and other preliminary investigations to determine foundation or other conditions, expenses necessary or incident to determining the feasibility or practicability of constructing the Construction Project, and fees and expenses of engineers for making surveys and estimates of costs and of revenues and other estimates and for preparing plans and specifications and supervising construction, as well as for the performance of all other duties of engineers set forth herein in relation to the construction of the Construction Project and the issuance of the Bonds;

(e) Expenses of administration properly chargeable to the Construction Project, expenses of officers of the City in connection with the Bonds, legal expenses and fees, fees and expenses of any consultant, financing charges, costs of audits and of preparing and issuing the Bonds, and all other items of expense reasonably incurred incident to the acquisition, construction and equipping of the Construction Project, the financing thereof, the placing of the same in operation (including the initial premiums on any insurance required or obtained under the provisions of this Bond Resolution) and the acquisition of franchises and interest therefor, including abstracts of title, title insurance, costs of surveys and other expenses in connection with such acquisition; and

(f) Any obligation or expense heretofore or hereafter incurred and any amount heretofore or hereafter advanced by the City for any of the foregoing purposes.

"Costs of Issuance Fund" shall mean the City of Picayune Combined Utility System Revenue Bonds, Series 2013 Costs of Issuance Fund established herein to pay certain costs of issuance incurred in the sale and issuance of the Bonds.

"County" shall mean Pearl River County, Mississippi.

"Debt Service Reserve Fund" shall mean the City of Picayune Combined Utility System Revenue Bonds, Series 2013 Debt Service Reserve Fund of the City established and described in Section 17 herein.

"Debt Service Reserve Fund Requirement" shall mean the lesser of (a) ten percent of the stated principal amount of the Bonds, (b) the Maximum Annual Debt Service Requirement calculated with respect to the Bonds, and (c) 125% of the average Annual Debt Service Requirement calculated with respect to the Bonds.

"Direct Participant" means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

"DTC" means The Depository Trust Company.

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

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

"Fiscal Year" shall mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"Governing Body" shall mean the Mayor and City Council of the City.

"Indirect Participant" shall mean a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Direct Participant.

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

"Maximum Annual Debt Service Requirement" shall mean, at any given time of determination with respect to the Bonds and any Additional Bonds, an amount equal to the maximum amount of principal and interest coming due thereon for the then current or any future Bond Year.

"Mayor" shall mean the Mayor of the City.

"Net Revenues" shall mean the Revenues remaining after deduction of Operating Expenses and debt service on the SRF Loans.

"Notice" shall mean the Notice of Bond Sale set out in **EXHIBIT B**, attached hereto and made a part hereof.

"Operating Expenses" shall mean the reasonable expense of operating and maintaining the System in good repair and working order as shall be in accordance with sound accounting practice; provided, however, Operating Expense shall not include any allowance for depreciation.

"Operation and Maintenance Fund" shall mean the City of Picayune Combined Utility System Revenue Bonds, Series 2013 Operation and Maintenance Fund established and described in 17 herein.

"Paying Agent" shall mean any bank, trust company or other institution whether herein designated or hereafter designated by the Governing Body to make payments of the principal of and interest on the Bonds, and to serve as registrar and transfer agent for the registration of owners of the Bonds, and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

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

"Principal and Interest Requirements" for any Bond Year shall mean the sums sufficient for the payment of the principal of and interest on the Bonds, which will mature and accrue during such period.

"Project" shall mean providing funds which, together with Transferred Proceeds, if any, will be sufficient for (i) the Construction Project, (ii) funding the Debt Service Reserve Fund for the Bonds, and (iii) the payment of the costs of issuance for the Bonds.

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

"Qualified Investments" means investments, to the extent permitted by State law, including the Act and any applicable regulations of the Treasurer of the State, authorized to be utilized for the proceeds of 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.

"Revenue Fund" shall mean the City of Picayune Combined Utility System Revenue Bonds, Series 2013 Revenue Fund established and described in Section 17 herein.

"Revenues" shall mean all payments, proceeds, fees, charges, rents and all other income derived by or for the account of the City from its ownership and operation of the System, including but not limited to revenues of the System but excluding all acreage, front-footage, assessment and similar fees and charges derived by the City in connection with the provision of or payment for capital improvements constituting a part of the System.

"Securities Depository" shall mean The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

"Securities Depository Nominee" shall mean the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration records the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

"SRF Loans" shall mean the State Revolving Fund Loans, existing on the date of issuance of the bonds, from the State to the City under Section 49-17-1 *et seq.*, Mississippi Code of 1972, as amended from time to time, which SRF Loans have a lien on Revenues of the System; however, the debt service for the SRF Loans is collected by the Mississippi Department of Revenue by diverting sales tax collections prior to remittance of sales tax to the City and then subsequently reimbursed to the City from the Revenues of the System.

"State" shall mean the State of Mississippi.

"System" shall mean the combined gas, water and sewer system of the City, as now existing or hereafter extended, heretofore combined and operated as a combined system known as the combined utility system of the City.

"Tax Exemption Certificate" shall mean the tax exemption certificate of the City dated the date of delivery of the Bonds as it may from time to time be amended or supplemented.

2. 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.

3. The Governing Body has heretofore found and determined that it is necessary, advisable and in the best interest of the City and of its inhabitants to issue the Bonds.

4. The estimated cost of the Project is Three million Dollars (\$3,000,000) and the estimated life of the System is thirty-five (35) years.

5. The City is authorized under the provisions of the Act to issue its Bonds to provide a portion of the funds for the Project, said Bonds to be payable solely from Net Revenues.

6. The amount of the Bonds, when added to the outstanding indebtedness of the City, will not exceed any constitutional or statutory limitation of indebtedness.

7. It is necessary and in the public interest to issue Bonds of the City in the principal amount of \$3,000,000, payable both as to principal and interest from the Net Revenues.

8. The Bonds are not private activity bonds as such term is defined in Section 141 of the Code and the Governing Body does not reasonably anticipate that the City or any other subordinate entities thereof will issue more than \$10,000,000 of qualified tax-exempt obligations (other than private activity bonds) in this calendar year. It is necessary to designate the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

9. 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 status of interest on obligations such as the tax-exempt 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 of certain requirements of the Code.

10. Proceeding under the authority of the Act and other applicable laws of the State, the Governing Body adopted a resolution on November 20, 2012, declaring its intention to issue Combined Utility System Revenue Bonds in the maximum principal amount of Three million Dollars (\$3,000,000) to raise money for the Project.

11. Said resolution provided that if on or before December 14, 2012, there was filed with the Governing Body a petition signed by not less than twenty percent (20%) or one hundred fifty (150), whichever is less of the qualified electors of the City objecting to and protesting against issuance of said Bonds, then and in that event such Bonds should not be issued unless the question of the issuance thereof be submitted to a special election ordered for the purpose of determining whether or not a majority of those voting in such election shall vote for or against issuance of said Bonds.

12. As required by law and as directed by the aforesaid resolution, said resolution was published in the *Picayune Item*, a newspaper published in the City of Picayune, Mississippi, and having a general circulation in the City, and being a qualified newspaper under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended from time to time, once a week for at least three (3) consecutive weeks, the first publication being not less than twenty-one (21) days prior to December 14, 2012 and the last such publication having been made not more than fourteen (14) days prior to said date, said resolution having been published on November 23 and 30 and December 7, 2012.

13. As on or prior to the hour of 5:00 o'clock p.m. on December 14, 2012, said date being more than twenty-one (21) days after the first date of publication of said resolution and not more than fourteen (14) days after the date of the last publication of the aforesaid resolution, no petition signed by twenty per cent (20%) or one hundred fifty (150), whichever is less, of the qualified electors of said City objecting to and protesting against such revenue bond issue nor any other objection of any kind or character against the issuance of the revenue bonds described

in the aforesaid resolution has been filed or presented by the qualified electors of said City on or before December 14, 2012 and as had previously been adjudicated pursuant to a resolution adopted on December 14, 2012, the Governing Body is now authorized to issue said Bonds in the maximum principal amount of not to exceed Three million Dollars (\$3,000,000) for the Project.

14. The Governing Body does now find and determine that it is necessary, advisable and in the public interest that the Bonds be issued as hereinafter provided.

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

SECTION 1. The Governing Body adopts this resolution pursuant to the Act and all matters and things recited in the premise and preamble of the Resolution are found and determined to be true and accurate.

SECTION 2. The gas, water and sewer system of the City have heretofore been combined and shall be operated as the System.

SECTION 3. (a) The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of Three million Dollars (\$3,000,000) to provide a portion of the funds, which funds will be sufficient to fund the Project. The principal of and the interest on the Bonds shall be payable in accordance with and as authorized by this Bond Resolution and the Act.

(b) All moneys received from the sale of the Bonds shall on the date of delivery of the Bonds be applied as follows:

(i) An amount shall be remitted and deposited to into the Construction Fund as set forth in Section 16 hereof;

(ii) Such an amount as required, shall be deposited to bring the Debt Service Reserve Fund to the balance required to be on deposit therein as set forth in Section 17(c); and

(iii) An amount shall be deposited in the Costs of Issuance Fund.

SECTION 4. (a) (i) 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 (the "United States").

(i) The Bonds shall be registered as to both principal and interest; shall be dated as of the date of delivery thereof; shall be issued in the 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 as set forth in the Bond Purchase Agreement such rates to be in compliance with the Act, payable semiannually on April 1 and October 1 of each year, commencing October 1, 2013; and shall mature and become due and payable, with option of prior payment, on April 1 in the years and principal amounts as follows:

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<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2014	\$105,000	2024	\$150,000
2015	110,000	2025	155,000
2016	115,000	2026	160,000
2017	120,000	2027	165,000
2018	120,000	2028	170,000
2019	125,000	2029	180,000
2020	130,000	2030	185,000
2021	135,000	2031	190,000
2022	140,000	2032	195,000
2023	145,000	2033	205,000

(ii) Bonds maturing on April 1, 2023 and thereafter are subject to redemption prior to their stated dates of maturity at par, plus accrued interest to the date of redemption, either in whole, or in part, at any time, on or after April 1, 2022.

(iii) Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

(v) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State, (i) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States ("**Government Obligations**"), (ii) certificates of deposit or municipal obligations fully secured by Government Obligations or (iii) evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (iv) State and Local Government Series ("**SLGS**") Securities, and (v) municipal obligations, the

payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "**Defeasance Securities**"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under this Bond Resolution and shall no longer be deemed to be outstanding hereunder, and the Registered Owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the Bond Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

(b) The Bonds shall initially be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 4. Any provision of this Bond Resolution or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the registration records maintained by the Paying Agent that such Bonds are subject to the Book-Entry System. So long as a Book-Entry System is being used, one Bond in the aggregate principal amount of the Bonds and registered in the name of the Securities Depository, the Securities Depository Nominee and the Participants and Indirect Participants will evidence beneficial ownership of the Bonds in authorized denominations, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the registration records as the Registered Owner of such Bond or its registered assigns or legal representative at the principal office of the Paying Agent. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the Holder of the Bonds for all purposes. Transfer of principal, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository and transfer of principal, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the Registered Owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such Holder, without notice to or the consent of the Beneficial Owners, the Paying Agent, with the consent of the City, and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such event, the Paying Agent shall make payments

with respect to the Bonds in such manner as if set forth herein. The Securities Depository may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered. The City may at any time elect with the prior written consent of the Underwriter (i) to provide for the replacement of any Securities Depository as the depository for the Bonds with another qualified Securities Depository, or (ii) to discontinue the maintenance of the Bonds under a Book-Entry System. In such event, and upon being notified by the City of such election, the Paying Agent shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(d) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the City will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees, as further described below. In such event, the Paying Agent shall make provisions to notify DTC participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Paying Agent in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(e) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the City shall, at its expense, promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the DTC participants provided to the Paying Agent, as of the date set forth in the notice described above. Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in **EXHIBIT A** hereof.

(f) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the City will issue to the replacement Securities Depository Bonds substantially in the form set forth herein, registered in the name of such replacement Securities Depository.

(g) Each Securities Depository and the DTC participants, the Indirect Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the City and the Paying Agent shall have no liability for the failure of any Securities Depository to perform its obligation to any DTC participant, Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such DTC participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

(h) Notwithstanding any other provision of this Bond Resolution, on or prior to the date of issuance of the Bonds, the City shall have executed and delivered to the initial Securities Depository the Letter of Representations governing various matters relating to the Securities Depository and its activities pertaining to the Bonds. The terms and provisions of the Letter of Representations are incorporated herein by reference and in the event there shall exist any inconsistency between the substantive provisions of the Letter of Representations and any

provisions of this Bond Resolution, then, for as long as the initial Securities Depository shall serve with respect to the Bonds, the terms of the Letter of Representations shall govern.

(i) Notwithstanding any provisions in the Bond Resolution to the contrary, at all times in which the Book-Entry System is in effect, any references to physical delivery of a Bond shall not be required.

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

(b) The Bonds shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the seal of the City imprinted or affixed thereto; provided, however, all signatures and seals appearing on the Bonds, other than the signature of an authorized officer of the 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 of whose signature shall appear on the Bonds shall cease to be such official before the delivery or reissuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

(c) The Bonds shall be delivered to the 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 or attached to the reverse of each of the Bonds.

(d) Prior to or simultaneously with the delivery by the Paying Agent of any 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 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 reissuance needs on the Bonds, shall be printed and delivered to the Paying Agent in generally accepted format, and held by the Paying Agent until needed for transfer or reissuance, 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. Subject to the approval of the Governing Body, the Paying Agent is hereby authorized to have printed from time to time as necessary additional certificates bearing the facsimile seal of the City and facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 6. (a) The Governing Body will appoint the Paying Agent for the Bonds after receiving the recommendation of the Purchaser subject to the following conditions. The Paying Agent shall be a bank or trust company located within the State. The Paying Agent shall serve as paying agent, registrar and transfer agent for the Bonds. The Paying Agent will be designated in the resolution adopted by the Governing Body of the City awarding the sale of the Bonds to the Purchaser.

(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 of the Bonds entitled to registration or transfer.

(c) The City shall pay or reimburse the Paying Agent 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) A 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 Paying Agents, 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 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 others 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 Bonds.

(viii) All duties and obligations imposed hereby on a 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.

(ix) 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 all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the City or the successor 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 7. The Bonds shall be in substantially the form attached hereto as **EXHIBIT A**, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution.

SECTION 8. In case any Bond shall become mutilated or be stolen, destroyed or lost, the City shall, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the City in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the City or 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. The provision of this Section 8 shall not apply if the Book-Entry System is in effect.

SECTION 9. 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 Agents' 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. In the event the Purchaser shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the City, one Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Bonds shall be in the Purchaser until the initial Registered Owner has made timely payment 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.

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 hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 11. Each Bond shall be transferable 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.

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.

SECTION 12. (a) Payment of principal on the Bonds shall be made, upon presentation and surrender thereof at the principal office of the Paying Agent, to the Record Date Registered Owner thereof whose name shall appear in the registration records of 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 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 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 to be effective as of such date.

SECTION 13. The principal of and interest on the Bonds shall be payable solely from a pledge of Net Revenues, subject to the prior payment of debt service on the SRF Loans. The Bonds shall not constitute an indebtedness of the city within the meaning of any constitutional or statutory restriction, limitation or provision, and the taxing power of the city is not pledged to the payment of the Bonds, either as to principal or interest.

SECTION 14. From and after the issuance and delivery of the Bonds, the System shall be operated on a Fiscal Year basis, commencing on the first day of October and ending on the last day of September in the following year; provided, however, that the Fiscal Year may be changed upon written notice to the Registered Owners.

SECTION 15. A portion of the proceeds of the Bonds shall be deposited in a special fund of the City, hereby created, and designated as the "Costs of Issuance Fund." From the Costs of Issuance Fund, there shall be paid the costs, fees and expenses incurred by the City in connection with the authorization, issuance, sale, validation and delivery of the Bonds. Any amounts remaining in the Costs of Issuance Fund thirty (30) days following the delivery date of the Bonds shall transferred to the Bond and Interest Fund and utilized for debt service on the Bonds.

The Clerk is hereby authorized to pay costs of issuance expenses on the Closing Date for the Bonds from the proceeds of the Bonds deposited in the Costs of Issuance Fund for the costs of issuance of said Bonds; provided, however, total costs of issuance for said Bonds, excluding

Purchaser's discount, shall not exceed \$80,000. The Mayor or Clerk or any other Authorized Officer are authorized to sign requisitions for the payment of costs of issuance for the Bonds.

SECTION 16. (a) A portion of the principal proceeds derived from the sale of the Bonds shall be deposited in the Construction Fund hereby created by this Bond Resolution and shall be applied solely and only for the purpose for which the Bonds are herein directed to be issued for the Costs of the Construction. Any income received from investment of monies in the Construction Fund shall be deposited in the Construction Fund or the Bond and Interest Fund for the payment of debt service on the Bonds during the construction period for the Construction Project.

(b) Said proceeds deposited into the Construction Fund shall be disbursed only upon proper warrant issued pursuant to certification by the Consulting Engineers stating that:

(i) The purpose for which the payment is to be made is a Cost of the Construction Project within the scope of the work contemplated by this Bond Resolution;

(ii) The work done is, or the materials furnished are, in accordance with the contract therefor (if such work is done or such materials are furnished under a contract), or such work is or that such materials are suitable for the intended purpose (if such payments are not covered by an express contract); and

(iii) The amount of such payment is in accordance with the contract or is reasonable.

(c) Any balance remaining in the Construction Fund after the Construction Project has been completed, and all related costs and expenses paid, shall be deposited into the Bond and Interest Fund and expended in accordance with State law.

SECTION 17. All Revenues shall be set aside as collected and shall be deposited into the Revenue Fund hereby established. Moneys in said fund shall not be subject to lien or attachment by any creditor of the City and shall be set aside for, allocated to and deposited by the City to the extent available in the following order of preference in the following separate and special funds, hereby created, without further direction of or action by the Governing Body or other authority of the City; provided, however, any allocation and deposits set forth herein are subject to the requirements of any bonds issued on parity with the Bonds:

(a) On the first business day of each month as provided herein there shall be deposited into the Operation and Maintenance Fund hereby established an amount which will provide for the payment of the Operating Expenses to be paid during such calendar month, and, in the event that the aggregate amounts deposited into such fund pursuant to this subsection (a) during the preceding months shall have been insufficient to pay all such expenses, an amount sufficient to repay such deficiencies.

(b) To the City such amount necessary to reimburse the general fund of the city for debt service due on the SRF Loans deducted by the Mississippi Department of Revenue from the sale tax rebate to the City.

(c) On the first business day of each month as provided herein, commencing in the first month after delivery of the Bonds there shall be deposited into the Bond and Interest Fund hereby established, an amount which, together with equal subsequent monthly deposits on the first business day of each successive month will provide a sum equal to the amount necessary to pay interest and principal due and payable through the date on which the next installment of principal on the Bonds. No further payments into the Bond and Interest Fund shall be required when the aggregate amount of funds in the Bond and Interest Fund and the Debt Service Reserve Fund are at least equal to the aggregate principal amount of the Bonds then outstanding, plus the amount of interest then due or to become due on the Bonds then outstanding, or when the Bonds shall be deemed fully paid within the meaning of Section 28 hereof.

(d) The Debt Service Reserve Fund hereby established shall be funded with the proceeds of the Bonds, together with the Transferred Proceeds, if any, sufficient to meet the Debt Service Reserve Fund Requirement for the Bonds at which amount the Debt Service Reserve Fund shall thereafter be maintained by such future payment as may be necessary for that purpose. Moneys in the Debt Service Reserve Fund shall be used only for the purpose of paying maturing principal of or interest on the Bonds and when the moneys in the Bond and Interest Fund is insufficient therefor and for no other purpose, except that said moneys may be invested or reinvested as provided for herein.

(e) Provided, that in addition to the moneys required to be paid into the Debt Service Fund, the Debt Service Reserve Fund shall be established in order to meet any deficiency in the Debt Service Fund in future years. In order to fully fund the Debt Service Reserve Fund, the Clerk shall immediately upon delivery of the Bonds deposit an amount which will equal to the Debt Service Reserve Fund Requirement, at which amount the Debt Service Reserve Fund shall thereafter be maintained by such future payments as may be necessary for that purpose. The Debt Service Reserve Fund shall be used only to pay maturing principal and accruing interest, or both, and only whenever and to the extent that funds otherwise available in the Debt Service Fund are insufficient for that purpose. No funds paid into the Debt Service Reserve Fund shall be used to prepay the principal unless such prepayment is for the entire balance of the principal amount of the Bonds. If the amount on deposit in the Debt Service Reserve Fund as valued on the last day of any Bond Year is more than the Debt Service Reserve Fund Requirement, the amount of such excess shall be transferred to the Bond and Interest Fund.

The moneys in the foregoing funds shall be held separate and apart from all other funds of the City and shall be applied in the manner provided. Any surplus Revenues remaining after all deposits required by this Section 16 have been made may be used solely for purposes pertaining to the System. The foregoing notwithstanding, any amounts required by the City to be paid from such surplus Revenues for general fund administrative charges shall be considered as being used for purposes pertaining to the System.

SECTION 18. If Net Revenues shall be insufficient at any time to make the payments or deposits from the Net Revenues required by Section 17 hereof, the deficiency shall be made good by additional payments to be made out of the first available Net Revenues received during any succeeding month or months.

SECTION 19. (a) All sums in the funds referred to in Section 17 hereof shall be kept on deposit in bank accounts separate from all other bank accounts of the City in a bank or banks having Federal Deposit Insurance Corporation insurance of its accounts and at all times shall be continuously secured as provided by the laws of the State for other funds of the City, or, in the discretion of the Governing Body, may be invested as directed in this Bond Resolution in Qualified Investments. Such Qualified Investments shall mature or be redeemable prior to the time the funds so invested will be needed for expenditure. Any interest or other income received from Qualified Investments shall accrue to and be deposited in the fund which generated such income or to which such income is attributable. Provided, however, that the Governing Body shall transfer to the Bond and Interest Fund any such income in excess of the aggregate amount required by this Bond Resolution to be maintained in any other fund or account.

(b) The investments of moneys in the Debt Service Reserve Fund shall be valued in such manner as the City shall determine at the market value thereof annually on the last day of the Bond Year of the City. If the market value of said investments is less than the Debt Service Reserve Fund Requirement, the City shall, within the following twelve (12) months, place money in the Debt Service Reserve Fund to bring the aggregate value of the Debt Service Reserve Fund up to the Debt Service Reserve Fund Requirement. If the market value of such investments is greater than the Debt Service Reserve Requirement, the amount of money in excess of the Debt Service Reserve Fund Requirement shall be paid into the Bond and Interest Fund.

SECTION 20. The City covenants and agrees with the Registered Owners of the Bonds that it will perform all duties with respect to the operation and maintenance of the System and with respect to the fixing, maintaining and collecting of the rates, fees and charges for the services thereof, the establishing of the funds herein referred to, and all other matters and things required by law and by this Bond Resolution, and that it will do or cause to be done each and every official act necessary for the payment of the principal of and the interest on the Bonds, as the same shall mature and accrue.

SECTION 21. The City further covenants with the Registered Owners of the Bonds as follows:

(a) As long as the Bonds are outstanding and unpaid, it will operate and maintain the System, or cause the System to be operated and maintained in good order and operating condition subject to ordinary wear and tear;

(b) As long as any of the Bonds are outstanding and unpaid, it will fix and maintain rates and make and collect charges for the use and service of the System which will at all times provide Net Revenues sufficient: (i) to pay the Operating Expenses of the System, (ii) to provide debt service on the SFR Loans, (iii) to provide for the amount of the Principal and Interest Requirements for the current Bond Year on account of the Bonds then outstanding and any debt service payments on any bond issued on a parity therewith, and (iv) to provide Net Revenues available for debt service payments to be at least equal to one hundred ten percent (110%) thereafter, of the amount of the maximum Principal and Interest Requirements in any succeeding Bond Year with respect to any bonded indebtedness then outstanding with a lien on Net

Revenues and the payments required to be made to the credit of the Debt Service Reserve Fund for the current Bond Year on account of the Bonds then outstanding;

(c) If the Net Revenues in any Fiscal Year as shown by the City's audit are less than the total amount set forth in subsection (b) of this section, then it shall, as promptly as possible, request the Consulting Engineers to make recommendations as to a revision of such rates, fees and charges or methods of operating the System which will result in producing the required amount in the following Fiscal Year. Upon receipt of such recommendations the City shall, subject to applicable requirements imposed by law, immediately revise such rates, fees and charges and take such other actions respecting the methods of operation of the System as shall in its discretion be deemed necessary. Failure to implement the recommendation of the consulting engineer or if coverage is less than one hundred ten percent (110%) of the maximum Principal and interest Requirements and the payment required to be made to the credit of the Debt Service Reserve Fund shall be a breach of the City's covenants herein;

(d) As long as any of the Bonds shall remain outstanding and unpaid, the City shall carry and maintain all-risk insurance upon all the properties forming a part of the System which may be of an insurable nature, such insurance to be of the type and kind and for such amounts as carried and maintained by similar public entities rendering services of a similar character in similar communities. The proceeds of all such insurance shall be used only for the maintenance and restoration of the System, or for the payment of the principal of and the interest on the Bonds;

(e) The City shall set up and maintain a proper system of accounts showing the amount of Revenues received from the System and the application thereof. Such accounts shall be separate and distinct from the other accounts of the City, and at least once a year shall be properly audited by independent auditors who shall be certified public accountants. The report of such audit shall be open to the public and to all Registered Owners;

(f) The Registered Owner of any of the Bonds shall be permitted, at all reasonable times, to inspect the System and all records, accounts and data relating thereto, and shall be furnished all data and information relating to the System which may be reasonably requested; and

(g) Except as provided for by this Bond Resolution, the City will not create or permit to be created any charge or lien on Net Revenues ranking equal or prior to the charge or lien of the Bonds.

SECTION 22. Prior to the commencement of each Fiscal Year, the Governing Body shall cause to be prepared a budget setting out the estimated receipts and expenditures of the System for the then ensuing Fiscal Year. This budget shall contain:

(a) An estimate of the Revenues expected to be derived from the operation of the System;

(b) A statement of the estimated Operating Expenses during the next ensuing Fiscal Year;

- (c) A statement of the amount of principal and interest due during the ensuing Bond Year;
- (d) A statement of what replacements to the System may be anticipated and the estimated cost thereof;
- (e) A statement of the total amount anticipated to be payable from Revenues during the next ensuing Fiscal Year; and
- (f) A statement of the amount on deposit in each of the funds referred to in Section 17 of this Bond Resolution.

SECTION 23. In order to insure the efficient and economical operation of the System and to insure the proper maintenance thereof in an efficient working order, the City covenants, as a part of the contract evidenced by the Bonds, that it will employ, while any of the Bonds are outstanding, an independent engineer or engineering firm having a favorable reputation for skill and, experience in such work, such engineer or engineering firm to act as Consulting Engineers for the operation and maintenance of the System. The compensation of the Consulting Engineers shall be deemed to be an expense of operating the System and shall be payable from Revenues.

It shall be the duty of the Consulting Engineers annually to inspect the System prior to the commencement of each Fiscal Year and to file a report with the Clerk prior to the commencement of each Fiscal Year, setting out the condition of the physical plant of the System and any recommendations which the Consulting Engineers shall deem to be advisable. Such report shall include the following:

- (i) Advice and recommendations concerning the maintenance, repair and operation of the System;
- (ii) Advice and recommendations as to renewals or replacements of any part of the System;
- (iii) Advice and recommendations as to extensions of the System;
- (iv) The estimated cost of any recommended renewals, replacement or extension to the System;
- (v) Advice and recommendations concerning the amount and character of insurance that should be carried on the System;
- (vi) Advice and recommendations concerning any revision of the rates to be charged for the services of the System; and
- (vii) A statement of the judgment of the Consulting Engineers concerning whether the System had been maintained in good repair and operating order, with such suggestions as the Consulting Engineers may deem advisable concerning changes in the methods of operating the System.

The City covenants with the Registered Owners that if the report of the Consulting Engineers shall show that the System has not been maintained in good repair and operating condition, it will, from the available Revenues and from the Depreciation Fund and, to the extent applicable, the Contingent Fund, promptly restore the System to good repair and operating condition; that all recommendations of said report shall receive impartial consideration by the Governing Body; and that the City and the Governing Body shall endeavor in good faith to carry out the recommendations that may be made by the Consulting Engineers.

SECTION 24. Except as set forth in this Section 24, from and after the issuance of the Bonds, no Additional Bonds shall be issued or obligations incurred by the City which are payable in whole or in part from or chargeable to Net Revenues (except obligations incurred in the operation and maintenance of the System), unless such Additional Bonds or obligations are in all respects junior and subordinate to the Bonds; provided, however, that the restrictions upon the issuance of Additional Bonds or other obligations set out in this Section 24 shall not apply in the following circumstances:

(i) The System hereafter shall be destroyed or damaged by disaster to such an extent that it cannot be operated;

(ii) All funds received from insurance or otherwise available shall be insufficient to pay the cost of restoration of the System to such a condition that it again can be operated, which cost shall be determined by the estimate of a reputable and competent engineer or engineering firm or corporation selected by the City; and

(iii) The Registered Owners of at least seventy-five percent (75%) in principal amount of the Bonds then outstanding shall give written consent to the issuance of Additional Bonds on parity with the Bonds and shall file such written consent with the Clerk. Such consent shall be acknowledged before a notary public and shall state the precise amount of Additional Bonds which may be issued.

Upon the occurrence of all circumstances set out, Additional Bonds may be issued solely for paying the cost of restoring the System to reasonable working order in an amount not greater than the amount stated in the consents filed by the Registered Owner, as provided hereinabove.

The City shall have the right to issue one or more Additional Bond series to be secured by a parity lien on and ratably payable from Net Revenues and any other security pledged to the Bonds, provided in each instance that:

(i) The Net Revenues available for payments of principal and interest on the Bonds for a period of 12 consecutive months during the 18 months preceding the month in which such additional parity bonds are issued must be certified by an accountant to have been at least equal to 110% of the highest annual debt service payments in any succeeding Bond Year with respect to the Bonds, any other outstanding bonds and the bonds proposed to be issued; or in lieu of the foregoing formula, if a new schedule of rates, fees and charges for the services, facilities and commodities of the System shall have been adopted, then the Net Revenues available for debt service payment (taking into account such new rates) must be certified by an accountant to have been at least

equal to one hundred ten percent (110%) thereafter, of the highest annual debt service payments in a succeeding Bond Year with respect to the Bonds, any other outstanding bonds, and any Additional Bonds theretofore issued and then outstanding on a parity lien with the Bonds, and (2) the bonds proposed to be issued during the period set forth above;

(ii) The pledge of and lien on the Net Revenues and amounts on deposit from time to time in any funds to be established pursuant to the resolution authorizing and directing the issuance of such parity bonds shall be extended for the benefit of the Registered Owners of the Bonds;

(iii) The pledge of and lien on the Net Revenues and amounts on deposit from time to time in the Bond and Interest Fund shall be extended for the benefit of the registered owners of the Additional Bonds; and

(iv) The resolution under which the proposed bonds are being issued shall provide for the funding of the increase in the Debt Service Reserve Fund resulting from the issuance of such Additional Bonds over a period of not more than five (5) years.

The City hereby covenants and agrees that in the event additional series of parity bonds are issued, it shall:

(i) Adjust the deposits into the Bond and Interest Fund in the following manner: On the first business day of each month, commencing in the first month after the delivery of the Additional Bonds, there shall be deposited into the Bond and Interest Fund an amount which, after taking into account any amounts already on deposit and equal subsequent monthly deposits on the first business day of each successive month, will provide a sum equal to the amount necessary to pay interest and principal due and payable through the date on which the next installment of principal on the Bonds and any Additional Bonds is due; and

(ii) Adjust the amount of the Debt Service Reserve Fund to a sum equal to the lesser of the maximum annual debt service on (1) the Bonds, (2) any additional parity bonds theretofore issued and then outstanding and (3) such Additional Bonds, and the maximum amount which, if deposited therein, in the opinion of nationally recognized bond counsel, would not adversely affect the tax-exempt status of interest on (1) the Bonds, (2) any additional parity bonds theretofore issued and then outstanding and (3) such Additional Bonds. The additional amount required for the Debt Service Reserve Fund Requirement shall either be deposited therein upon the delivery of such Additional Bonds or shall be accumulated by depositing into the Debt Service Reserve Fund on the first business day of each month, commencing in the first month after the delivery of such Additional Bonds, an amount which, after taking into account any amounts already on deposit therein and equal subsequent monthly deposits on the first business day of each successive month, will provide such combined annual debt service over a period designated in the resolution authorizing and directing the issuance of such Additional Bonds, but not to exceed five (5) years from the date of delivery of such Additional Bonds.

The City shall have the right to call, subject to the call provisions of the respective bond series, any or all outstanding bonds which may be called at par prior to calling any bonds that are callable at a premium. If it is provided in any subsequently issued series of bonds secured by a parity lien on Net Revenues that excess moneys in the Bond and Interest Fund shall be used to redeem bonds in advance of scheduled maturity or if the City, at its option, undertakes to redeem outstanding bonds in advance of scheduled maturity, it is agreed and understood that:

(i) Calls of or prepayment on bonds will apply to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call); and

(ii) Calls of bonds for each bond series will be in accordance with the call provisions of the respective bond series.

The City may issue bonds junior and subordinate to the Bonds at any time, provided that the issuance of such bonds does not violate any covenant of the City concerning any of its then outstanding bonds.

SECTION 25. Each of the following constitutes an event of default under this Bond Resolution:

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

(ii) Failure by the City to perform or observe any other covenant, agreement or condition on its part contained in this resolution or in the Bonds, and the continuance thereof for a period of sixty (60) days after written notice thereof to the City by the Registered Owners of not less than ten percent (10%) in principal amount of the then outstanding Bonds; or

(iii) An Act of Bankruptcy occurs.

Upon the occurrence of any event of default, the Registered Owner of any of the Bonds may, by suit, action, mandamus or other proceedings at law or in equity, enforce and compel performance by the appropriate official or officials of the City of any or all acts and duties to be performed by the City under the provisions of the Act and of this Bond Resolution.

If there be any default in the payment of the principal of and interest on the Bonds, any court having jurisdiction in the proper action may, upon petition of the Registered Owners of a majority in principal amount of the Bonds then outstanding, appoint a receiver to administer and operate the System with power to fix rates and collect charges sufficient to provide for the payment of the Bonds and to pay the expense of operating and maintaining the System in conformity with the provisions of the Act and of this Bond Resolution.

SECTION 26. At least five (5) days prior to the due date thereof, the City shall remit to the Paying Agent the sum or sums then becoming due as interest, or principal and interest, on the Bonds, plus the sum then due as the charges of the Paying Agent for its services and responsibility under the terms of this Bond Resolution, which charges shall be expenses of

operation and shall be charged to and payable from the Operation and Maintenance Fund referred to in Section 17 of this Bond Resolution.

SECTION 27. The Bonds shall be submitted to validation as provided by Chapter 13, Title 31, 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 Bonds and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 28. 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 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, determine and be void, and thereupon the lien of this Bond Resolution on Net Revenues shall be cancelled and discharged.

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; 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.

The Bonds, or any of the Bonds, shall be deemed to be paid within the meaning of this Section and for all purposes of this Bond Resolution when (i) payment of the principal on such Bonds, plus 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, 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 and the City 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 Bond shall be deemed to be paid hereunder, such Bond shall no longer be secured by or entitled to the benefit of this Bond Resolution and the lien thereof on the Net Revenues thereby defeased, cancelled and discharged, except for the purposes of any such payment from such moneys or obligations.

SECTION 29. The City hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (i) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Code, and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 30. The City represents as follows:

(a) It shall timely file with the Ogden, Utah Service Center of the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code;

(b) It shall take no action that would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

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

SECTION 31. The City covenants that it will make no Prohibited Payments as that term is used in the regulations promulgated under the Code.

SECTION 32. The City hereby designates the Bonds as “qualified tax-exempt obligations” as defined in and for the purposes of Section 265(b)(3) of the Code. For purposes of this designation, the City hereby represents that:

(a) The City reasonably anticipates that the amount of tax-exempt obligations to be issued by it during the period from January 1, 2013 to December 31, 2013 and the amount of obligations designated as “qualified tax-exempt obligations” by it, will not exceed \$10,000,000 when added to the aggregate principal amount of the Bonds; and

(b) For purposes of this Section 32, the following obligations are not taken into account in determining the aggregate principal amount of tax-exempt obligations issued by the City: (i) a private activity bond as defined in Section 141 of the Code (other than a qualified 501(c)(3) bond, as defined in Section 145 of the Code); and (ii) any obligation issued to refund any other tax-exempt obligation (other than to advance refund within the meaning of Section 149(d)(5) of the Code) as provided in Section 265(b)(3)(c) of the Code.

SECTION 33. The City hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code (“**Rebate**”) in the manner described in Regulation §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds. In accordance therewith, the City shall:

(a) Within sixty (60) days of the last day of the fifth and each succeeding fifth “bond year” (which shall be the five-year period ending on the date five years subsequent to the date of the closing, unless another date is selected by the Governing Body of the City, and each succeeding fifth “bond year”), and within sixty (60) days of the date the last bond that is part of the Bonds is discharged the City shall (i) calculate, or cause to be calculated, the “rebate amount” as of each “computation date” or the “final computation date” attributable to any investment in “investment-type property” made by the City, of “gross proceeds” of the Bonds, and (ii) remit the following to the United States Treasury within sixty (60) days of the last day of the fifth and each succeeding fifth “bond year”: (A) an amount of money equal to such “rebate amount” (treating for purposes of such calculation any previous payments made to the United States

Treasury on account of such "rebate amount" as if the payment on any such date was an "expenditure" constituting a "rebate payment"), (B) the calculations supporting the amount of "rebate amount" attributable to any investments in "investment-type property" made by the City of gross proceeds of the Bonds and (C) any other information required to comply with Section 148 of the Code.

(b) The City shall keep accurate records of each investment-type property (as that term is defined in Section 148(b) of the Code), if any, acquired, directly or indirectly, with "gross proceeds" of the Bonds and each expenditure it makes with "gross proceeds." Such records shall include the purchase price, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively realized on disposition, disposition date, and evidence of the "fair market value" of such property on the purchase date and disposition date (or deemed purchase or disposition date), for each item of such "investment-type property".

SECTION 34. In the event the City receives an opinion of nationally recognized bond counsel to the effect that any of the computations, deposits or payments referenced in Section 33 herein are not required to be made in order to maintain the tax-exempt status of interest on the Bonds, the City need not make such computations, deposits or payments.

SECTION 35. The City shall not hereafter construct, acquire or operate, or permit, or, to the extent permitted by law, consent to the construction, acquisition or operation of, any plants, structures, facilities or properties which may compete or tend to compete with the System; except that nothing in this Bond Resolution contained shall prevent the City from giving its permission or consent to the construction, acquisition or preparation in the area serviced by the System by a Person or facilities for the provision of water and sewer services which the City shall determine are not economically feasible for it to construct or acquire at such time, but which, if constructed or acquired by the City, would carry out the purposes of the City and its System under the Act and such facilities pursuant to the terms of such permission or consent will become a part of the System upon notice to such person by the City, either (i) without any cost to or payment by the City, or (ii) upon payment of such amount or cost as the City shall determine to be proper in the circumstances.

SECTION 36. The City covenants that it will (a) diligently enforce and collect all fees, rental or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State, and (b) to the full extent permitted by law, under reasonable rules and regulations, shut off and discontinue the supplying of the services and facilities of the System for the non-payment of fees, rentals or other charges for said water services, and will not restore said water services until all delinquent charges, together with interest and reasonable penalties, have been paid in full.

SECTION 37. The City covenants that it will not provide free service to any user of the System unless permitted by State statute.

SECTION 38. The City hereby agrees for the benefit of the holders and beneficial owners of the Bonds for so long as it remains obligated to advance funds to pay the Bonds to

provide (i) certain updated financial information and operating data annually, and (ii) notices of specified events, as hereinafter set forth, in a timely manner not in excess of ten business days after the occurrence of such events, to the Municipal Securities Rulemaking Board (the "**MSRB**") through MSRB's Electronic Municipal Market Access system at www.emma.msrb.org ("**EMMA**"), in the electronic format then prescribed by the Securities and Exchange Commission (the "**SEC**") (the "Required Electronic Format") pursuant to Rule 15c2-12, as amended from time to time (the "**Rule**") of the SEC, together with any identifying information or other information then required to accompany the applicable filing (the "**Accompanying Information**"). This information will be available free to securities brokers and others at EMMA.

The City will provide certain updated financial information and operating data to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information. The information to be updated includes all quantitative financial information and operating data with respect to the City of the general type included in the Official Statement in APPENDIX A and APPENDIX B under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION," "DEBT INFORMATION," and with respect to the System of the general type included in APPENDIX B regarding information on the System and other financial information set forth in APPENDICES C and D of the Official Statement. The City will update and provide this information within twelve months after the end of each Fiscal Year of the City ending in or after 2012.

The City may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule. The updated information will include audited financial statements, if the City's audit is completed by the required time. If audited financial statements are not available by the required time, the City will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles promulgated by the State of Mississippi or such other accounting principles as the City may be required to employ from time to time pursuant to law or regulation.

The City's current fiscal year end is September 30. Accordingly, it must provide updated information by September 30 in each year, unless the City changes its Fiscal Year. If the City changes its Fiscal Year, it will notify the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, of the change.

Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the City Clerk, City Hall, 401 N. Fifth Avenue, Laurel, Mississippi 39441 Telephone Number: (601) 428-6404.

The City will also provide notice to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, in a timely manner not in excess of ten business days after the occurrence of certain events. The City will provide notice of any of the following events with respect to the Bonds, in a timely manner not in excess of ten business days after the occurrence of such event: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves, reflecting financial difficulties; (3) unscheduled draws on credit enhancements, reflecting financial difficulties; (4) substitution of credit or

liquidity providers for the Bonds; or their failure to perform; (5) adverse tax opinions, IRS notices or events affecting the tax status of the Bonds; (6) defeasances; (7) rating changes; (8) tender offers; and (9) bankruptcy, insolvency receivership, or a similar proceeding by the obligated person. The City will provide to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information, notice of an occurrence of the following events, if such event is material to a decision to purchase or sell Bonds, in a timely manner not in excess of ten business days after the occurrence of an event: (1) non-payment related defaults; (2) modifications to the rights of bond holders; (3) bond calls or redemption; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, acquisition involving an obligated person, other than in the ordinary course of business, or the sale of all or substantially all the assets of an obligated person, other than in the ordinary course of business, or the entry into a definitive agreement to engage in such a transaction, or a termination of such an agreement, other than in accordance with its terms; and (6) appointment of a successor or additional trustee, or the change in the name of the trustee. In addition, the City will provide timely notice of any failure by the City to provide information, data, or financial statements in accordance with its agreement described above under paragraphs 2, 3 and 4 of this Section.

The City has agreed to provide the foregoing information to the MSRB in the Required Electronic Format through EMMA, together with any Accompanying Information. The information will be available free to holders of Bonds through EMMA.

The City has agreed to update information and to provide notices of specified events only as described in this Section. The City has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described herein. The City makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The City disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the City to comply with its agreement.

The City may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the City, (2) the agreement, as amended, would have complied with the Rule at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance, and (3) the City receives an opinion of nationally recognized bond counsel to the effect that the amendment does not materially impair the interests of the holders and beneficial owners of the Bonds. If any such amendment is made, the City will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

SECTION 39. As required by Section 31-19-25, Mississippi Code of 1972, as may be amended from time to time, the Clerk and/or Manager is hereby authorized and directed to give notice of the sale of the Bonds by publishing an advertisement at least two (2) times in *Picayune*

Item, a newspaper published in the City of Picayune, Mississippi, and of general circulation in the City, the first publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of the bids. Such notice shall be in substantially the form attached hereto as **EXHIBIT B**.

SECTION 40. The Clerk of the Governing Body shall obtain from the publisher of the aforesaid newspaper the customary publisher's affidavit proving publication of said notice for the time and in the manner required by law, and such proof of publication shall be filed in the Clerk's office at the City, and exhibited before the Governing Body at the hour and date specified.

SECTION 41. The Mayor, the Clerk and the other Authorized Officers of the City are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this Bond Resolution.

SECTION 42. If any section, paragraph, clause or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision hereof.

SECTION 43. All resolutions, or parts thereof in conflict with this Bond Resolution, to the extent of such conflict only, are hereby repealed.

SECTION 44. The preparation of the Bonds for delivery being now immediately necessary, this Bond Resolution shall become effective immediately upon the adoption thereof.

Councilperson Lane moved and Councilperson Watkins seconded the motion to adopt the foregoing Bond Resolution, and, the question being put to a roll call vote, the result was as follows:

Mayor Ed Pinero	Voted: <u>Yea</u>
Council Member Larry Watkins	Voted: <u>Yea</u>
Council Member Lynn Bogan Bumpers	Voted: <u>Yea</u>
Council Member Jason Todd Lane	Voted: <u>Yea</u>
Council Member Larry Breland	Voted: <u>Yea</u>
Council Member Wayne Gouquet	Voted: <u>Yea</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted, this, the 19th day of March, 2013.

Edward Pinero
MAYOR, CITY OF PICAYUNE, MISSISSIPPI

ATTEST:
[Signature]
CITY CLERK
CITY OF PICAYUNE, MISSISSIPPI

(SEAL)

EXHIBIT A

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

CITY OF PICAYUNE

COMBINED UTILITY SYSTEM REVENUE BOND
SERIES 2013

NO. R- _____ \$ _____

<u>RATE OF INTEREST</u>	<u>MATURITY</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>CUSIP</u>
_____ %	April 1, 20__	_____, 2013	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE MILLION DOLLARS

The City of Picayune located in Pearl River 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 (the "United States") to the registered owner identified above, upon the presentation and surrender of this Bond, at the principal office of _____, _____, _____, or its successor, as paying agent (the "Paying Agent") for the Combined Utility System Revenue Bonds, Series 2013, of the City (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the registered owner hereof whose name shall appear in the registration records of the City maintained by the Paying Agent, which will also serve as registrar and transfer 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 semiannually on April 1 and October 1 of each year (each an "Interest Payment Date") commencing October 1, 2013, 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.

The Bonds maturing on April 1, 2023 and thereafter, are subject to redemption prior to their stated dates of maturity, at par, plus accrued interest to the date of redemption, either in whole, or in part, at any time on or after April 1, 2022.

Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or

receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

Payments of principal of and interest on this Bond shall be made by check or draft mailed to such registered owner at his address as it appears on such registration records. The registered owner hereof may change such address by written notice to the 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.

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 Three million Dollars (\$3,000,000) to provide funds, together with certain Transferred Proceeds, if any, which will be sufficient for the purposes of (i) improving, repairing, and extending the gas lines of the combined utility system of the City of Picayune, Mississippi (the "**System**"), (ii) funding a Debt Service Reserve Fund for the Bonds; and (iii) paying the costs of issuance for the Bonds.

This Bond is issued under the Constitution and statutes of the State of Mississippi, including Sections 21-27-23 and 21-27-41 through 21-27-69 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time, and by the further authority of proceedings duly had by the Mayor and City Council of the City, including a resolution adopted March 5, 2013 (the "**Bond Resolution**").

The Bonds are registered as to both principal and interest and are to be issued or reissued in the denomination of \$5,000 each or integral multiples thereof up to 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 affectively by any notice to the contrary.

The principal of and interest on this Bond shall be payable solely from the revenues derived from the operation of the combined utility system of the City (the "System"), subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and the prior payment of the SRF Loans (the "**Net Revenues**"). This Bond does not constitute a general obligation of the City or, within the meaning of any constitutional or statutory limitation, a debt, liability, or obligation of the State or of any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof. A sufficient amount of the Net Revenues has been pledged to the payment of the Bonds.

The City covenants and agrees that it will perform all duties required by law and by the Bond Resolution; that it will apply the proceeds of this Bond to the purposes above set forth; that, as long as this Bond is outstanding, it will operate and maintain the System; that it will fix and maintain rates and make and collect charges for the services of the System, without regard to the user thereof, sufficient to provide for the operation and maintenance of the System in good repair and working order, to provide for the payment of the principal of and interest on this Bond as same shall mature and accrue, to provide for a debt service reserve fund, and to provide Net Revenues available for debt service payments to be at least equal to one hundred ten percent (110%) thereafter, of the highest annual debt service payments in any succeeding Bond Year with respect to any bonded indebtedness then outstanding with a lien on Net Revenues, including the Bonds, all as set forth in the Bond Resolution; and that such an amount of the Net Revenues of the System, as will maintain a bond and interest fund on this Bond, as the same shall mature and accrue, is hereby irrevocably pledged to said purpose.

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.

Terms capitalized herein shall have the meaning as set forth in the Bond Resolution, unless otherwise expressly provided herein.

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 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.

IN WITNESS WHEREOF, the City has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the City, countersigned by the manual or facsimile signature of the Clerk of the City, under the manual or facsimile seal of the City, which said manual or facsimile signatures said officials adopt as and for their own proper signatures, all as of the ____ day of _____, 2013.

CITY OF PICAYUNE

By: _____
MAYOR

COUNTERSIGNED

CITY CLERK

(SEAL)

There shall be printed in the lower left portion on the face of the Bonds, or attached thereto, 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 Combined Utility System Revenue Bonds, Series 2013, of the City of Picayune.

_____,
as Paying Agent

By: _____
Authorized Officer

Date of Registration and Authentication: _____

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

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

COUNTY OF PEARL RIVER

I, the undersigned Clerk of the City of Picayune do hereby certify that the within Bond has been duly registered by me as an obligation of said City pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Pearl River County, Mississippi, rendered on the ____ day of _____, 2013.

CITY CLERK

(SEAL)

ASSIGNMENT

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____, _____,
_____, as registrar and transfer agent to transfer the said Bond on the records kept for
registration thereof with full power of substitution in the premises.

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

Signatures guaranteed:

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

Date of Assignment: _____

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

EXHIBIT B

NOTICE OF BOND SALE

\$3,000,000
COMBINED UTILITY SYSTEM REVENUE BONDS
SERIES 2013
OF THE
CITY OF PICAYUNE, MISSISSIPPI

NOTICE IS HEREBY GIVEN that sealed proposals will be received by the Mayor and City Council (the "**Governing Body**") of the City of Picayune (the "**City**"), in its meeting place in the offices of the City located at 815 North Beech Street in the City of Picayune, Mississippi until the hour of 5:00 o'clock p.m. on the 2nd day of April, 2013, at which time said bids will be publicly opened and read, for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of Three Million Dollars (\$3,000,000) principal amount Combined Utility System Revenue Bonds, Series 2013, of the City (the "**Bonds**").

THE BONDS: The Bonds will be dated the date of delivery thereof, will be delivered in the denomination of Five Thousand Dollars (\$5,000) each, or integral multiples thereof up to the amount of a single maturity, will be numbered from one upward; will be issued in fully registered form; and will bear interest from the date thereof at the rate or rates offered by the successful bidder in its bid, payable on April 1 and October 1 in each year (each an "**Interest Payment Date**"), commencing October 1, 2013.

MATURITIES: The Bonds will mature serially, with option of prior payment on April 1 in each year and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2014	\$105,000	2024	\$150,000
2015	110,000	2025	155,000
2016	115,000	2026	160,000
2017	120,000	2027	165,000
2018	120,000	2028	170,000
2019	125,000	2029	180,000
2020	130,000	2030	185,000
2021	135,000	2031	190,000
2022	140,000	2032	195,000
2023	145,000	2033	205,000

REDEMPTION: Bonds maturing on April 1, 2024 and thereafter, are subject to redemption prior to their stated dates of maturity, at par, plus accrued interest to the date of redemption, either in whole, or in part, at any time on or after April 1, 2023.

AUTHORITY AND SECURITY: The Bonds will be issued pursuant to the provisions of Mississippi Code 1972 Annotated, Section 21-27-23 and Sections 21-27-41 through 21-27-69, as amended (the "**Act**"). The Bonds are to be secured by Net Revenues of the combined water and sewer system (the "**System**") of the City and are ratably payable from Net Revenues and other security pledged for the Bonds. The Bonds will be payable solely from the Net Revenues derived from the operation of the System of the City and shall be subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the System.

PURPOSES: The Bonds are being issued for the purpose of providing funds for (i) improving, repairing and extending the gas lines of the System, (ii) funding a debt service reserve fund for the Bonds, and (iii) paying costs of issuance for the Bonds.

FORM OF BIDS: Bids should be addressed to the City Council and should be plainly marked "Bid for Combined Utility System Revenue Bonds, Series 2013, of the City of Picayune Mississippi," and should be filed with the Clerk of the City on or prior to the date and hour hereinabove named. All bids should be submitted substantially in the form prepared by the City, copies of which may be obtained from the Clerk of the City at the address shown below.

INTEREST RATE AND BID RESTRICTIONS: The Bonds shall not bear a greater overall maximum interest rate to maturity than thirteen percent (13%) per annum, nor shall the interest rate for any one maturity exceed thirteen percent (13%) per annum. No Bond shall bear more than one (1) rate of interest; each Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; all Bonds of the same maturity shall bear the same rate of interest from date to maturity; and the lowest interest rate specified shall not be less than seventy percent (70%) of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of one-eighth of one percent (1/8 of 1%) or one-tenth of one percent (1/10 of 1%) and a zero rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the City of Picayune Mississippi, in the amount of Sixty Thousand Dollars (\$60,000.00) as a guaranty that the bidder will carry out its contract and purchase the Bonds if its bid be accepted. All checks of unsuccessful bidders will be returned immediately on award of the Bonds. If the successful bidder fails to purchase the Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the City as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit.

AWARD OF BONDS: The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Bonds at the lowest net interest cost to the City, which shall be determined by computing the aggregate interest on the Bonds over the life of the issue at the rate or rates of interest specified by the bidder, less premium offered, if any. It is requested that each bid be accompanied by a statement of the net interest cost (computed to six decimal places), but such statement will not be considered a part of the bid. All bids shall remain firm for three (3) hours after the time specified for the opening of bids, and an award of the Bonds, or rejection of bids, will be made by the Governing Body within said period of time.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder shall have the right, at its option, to cancel its agreement to purchase the Bonds if the Bonds are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the Governing Body shall return to said bidder its good faith deposit. The Governing Body shall have the right, at its option, to cancel its agreement to sell the Bonds if within five (5) days after the tender of the Bonds for delivery the successful bidder shall not have accepted delivery of and paid for the Bonds, and in such event the Governing Body shall retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The successful bidder may designate a bank or trust company with a main office or branch located in the State of Mississippi to serve as paying agent (the "Paying Agent") for the Bonds within forty-eight (48) hours of the date of sale of the Bonds, subject to the approval of the Governing Body. The Governing Body's approval of the Paying Agent shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Bonds are issued. Both principal of and interest on the Bonds will be payable by check or draft mailed to registered owners of the Bonds as of the 15th day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the City maintained by the Paying Agent. The Bonds will be transferable only upon the records of the Paying Agent, and the payment of principal at maturity shall be conditioned on the proper presentation and surrender of the Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within fifteen (15) days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Bonds and the denominations in which the Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Bonds will be delivered at a place to be designated by the purchaser and without cost to the purchaser, and payment therefor shall be made in immediately available funds.

CUSIP NUMBER: It is anticipated that CUSIP identification numbers will be printed on the Bonds unless specifically declined by the purchaser, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the City; the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

SECTION 265(b)(3) DESIGNATION: The City will designate the Bonds as qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Code.

LEGAL OPINION; CLOSING DOCUMENTS: The Bonds are offered subject to the unqualified approval of the legality thereof by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, Bond Counsel. In the opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, interest on the Bonds is exempt from federal and Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986. The City will pay for all legal fees and will pay for the printing and validation of the Bonds.

A copy of the City's Preliminary Official Statement may be obtained by contacting the office of the Clerk, City Hall, 815 N. Beech Street, Picayune, Mississippi 39466. The Preliminary Official Statement has been "deemed final" by the City for purpose of SEC Rule 15c2-12(b)(1) but is subject to revision, amendment, and completion in a final Official Statement.

CONTINUING DISCLOSURE: The City has covenanted in its Bond Resolution that under Rule 15c2-12, as amended, of the Securities and Exchange Commission, the City will deliver or cause to be delivered annually, commencing with the Fiscal Year of the City ending after 2012, to the Municipal Securities Rulemaking Board, (i) annual financial information and operating data relating to the City, including audited financial statements of the City and (ii) notice of certain events, if any, relating to the Bonds and the City, if the City deems such events to be material, as set forth in Rule 15c2-12, as amended. Anyone requesting information under the continuing disclosure requirements of Rule 15c2-12, as amended, should contact the City Clerk, 815 N. Beech Street, Picayune, Mississippi 39466 Telephone Number: (601) 799-5542.

For additional information concerning the sale and issuance of the Bonds, please contact Government Consultants, Inc., Jackson, Mississippi, the Financial Advisor to the City, at 601-982-0005, or the City regarding the Bonds.

By order of the Mayor and City Council of the City, on March 19th, 2013.

/s/ Amber Hinton

Clerk

PUBLISH: March 20 and 26, 2013

ButlerSnow 14532466v3

B-4

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO ADVERTISE FOR SOLID WASTE COLLECTION AND DISPOSAL PROPOSALS

Motion was made by Council Member Lane, seconded by Council Member Gouguet to approve request to advertise for solid waste collection and disposal proposals.

The following roll call was made:

VOTING YEA: Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: Mayor Ed Pinero

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO APPLY FOR ALCOHOL COUNTERMEASURES GRANT FY14

Motion was made by Council Member Breland, seconded by Council Member Lane to approve request to apply for Alcohol Countermeasures Grant 2014 and authorize Mayor's signature on all related documents.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO APPLY FOR 2013-2014 STOP VIOLENCE AGAINST WOMEN ACT GRANT

Motion was made by Council Member Watkins, seconded by Council Member Lane to approve request to apply for 2013-2014 Stop Violence Against Women Act Grant and authorize Mayor's signature on all related documents.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE APPLICATION FOR AND PARTICIPATION IN THE MDOT TRANSPORTATION ENHANCEMENT 2013 URBAN YOUTH CORPS PROGRAM GRANT

Motion was made by Council Member Breland, seconded by Council Member Lane to authorize application for and participation in the MDOT Transportation Enhancement 2013 Urban Youth Corps Program Grant 80% Federal Funds and 20% City match funds and authorize Mayor to sign all related documents.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

APPROVE REQUEST TO APPLY FOR OCCUPANT PROTECTION GRANT FY14

Motion was made by Council Member Watkins, seconded by Council Member Lane to approve request to apply for Occupant Protection Grant FY14 (Seatbelt Citation Grant) and authorize Mayor to sign all related documents.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO HOLD PUBLIC HEARING FOR PROPERTY CLEAN UP

Motion was made by Council Member Lane, seconded by Council Member Gouguet to hold public hearing for property clean up.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DECLARE PARCEL 6176140030401300 ON S CURRAN AVE A PUBLIC NUISANCE

Motion was made by Council Member Lane, seconded by Council Member Gouguet to declare parcel 6176140030401300 on S Curran Ave a public nuisance.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DECLARE PARCEL 6176140030503400 ON CULPEPPER ST A PUBLIC NUISANCE

Motion was made by Council Member Watkins, seconded by Council Member Lane to declare parcel 6176140030503400 on Culpepper St. a public nuisance and allow a 60-day extension.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO DECLARE 701 S CURRAN AVE A PUBLIC NUISANCE

Motion was made by Council Member Watkins, seconded by Council Member Lane to declare 701 S Curran Ave. parcel 6176140030503500 a public nuisance and allow a 60-day extension.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

ACCEPT LOWEST AND BEST BID FOR ONE FULL SIZED TRACK-HOE AND ONE BACKHOE

Motion was made by Council Member Breland, seconded by Council Member Watkins to accept lowest and best bid for one full sized track-hoe and one backhoe and award purchase to Puckett Machinery and authorize Mayor and City Clerk to sign all necessary documents.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE REQUEST TO REJECT SEALED BIDS FOR ONE MINIATURE TRACK-HOE AND RE-ADVERTISE TO ACCEPT NEW SEALED BIDS FOR THE SAME

Motion was made by Council Member Gouquet, seconded by Council Member Watkins to authorize request to reject sealed bids for one miniature track-hoe and re-advertise to accept new sealed bids for the same.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE MAYOR TO SIGN AGREEMENT WITH DUNGAN ENGINEERING FOR SERVICES ON CECILE STREET DRAINAGE IMPROVEMENT PROJECT

Motion was made by Council Member Watkins, seconded by Council Member Lane to authorize Mayor to sign agreement with Dungan Engineering for engineering services on Cecile Street Drainage Improvement Project.



925 Goodyear Boulevard
Picayune, Mississippi 39466
Phone (601) 799-1037
Fax (601) 799-0480
www.dunganeng.com

March 13, 2013

Mayor Ed Pinero, Jr.
City of Picayune
815 North Beech Street
Picayune, Mississippi 39466

RE: City of Picayune
Cecile Street Drainage Improvements
Engineering Services

Dear Mayor Pinero:

Thank you for allowing us the opportunity to assist you with this project. According to the laws set forth by the Mississippi State Board of Registration for Professional Engineers and Surveyors, we can only submit a cost estimate for providing professional services if we are selected for the work based on our qualifications. Therefore, we are submitting this not to exceed cost estimate portion of this proposal with the understanding that it is for budgetary estimate purposes only and is not being used for comparative pricing of the other professional firms. I have reviewed the engineering and surveying work required in connection with the above referenced. I am pleased to provide this letter of agreement for the following engineering services:

I. Design and Bidding Phase

Dungan Engineering, P.A. will provide all engineering and surveying necessary for the development of the construction drawings, details, and specifications for the Cecile Street Drainage Improvement Project. The intent of this project is to replace an existing cracked and deteriorated gunite drainage ditch adjacent to Cecile Street with an open channel reinforced concrete structure. We will prepare all bidding documents for the purchase and installation of the meters and make recommendations to the City Council on how to proceed once the bids are received.

II. Construction Phase

Dungan Engineering, P.A. will provide construction observation during all phases of the construction contract. These construction observations will be necessary to insure quality of work and to maintain detailed records of the quantities of materials used by the Contractor.

Consulting Engineers

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III. Professional Fees

Dungan Engineering, P.A. proposes to provide all necessary engineering and drafting services, as outlined above, for a lump sum fee equal as outlined below:

- Design and Bidding Phase – \$3,600.00
- Construction Phase - \$2,400.00

We would expect to start our services immediately after receipt of written confirmation you had accepted our proposal. We intend to perform this work in accordance with generally accepted engineering and surveying principles.

If you accept this proposal please execute both copies of this Letter of Agreement and return one (1) to our office. This letter of agreement is subject to the attached thirty (30) "General Terms and Conditions".

Thanks again for your consideration. We look forward to working with you on this project. If you have any questions or comments, please call me.

Sincerely,

Brooks Wallace, P.E.
Vice President
Dungan Engineering, P.A.

Accepted By _____
City of Picayune

Enclosures

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GENERAL TERMS AND CONDITIONS

1. **Relation Between Engineer and Client.** Engineer shall serve as Client's professional engineering consultant in those phases of the Project to which this Agreement applies. The relationship is that of a buyer and seller of professional services and it is understood that the parties have not entered onto any joint venture or partnership with the other. The Engineer shall not be considered to be the agent of the Client.
2. **Responsibility of the Engineer.** Engineer will strive to perform services under this Agreement in a manner consistent with that standard of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representation, express or implied, and no warranty or guarantee is included or intended in this Agreement or in any report, opinion, document, or otherwise.

Notwithstanding anything to the contrary which may be contained in this Agreement or any other material incorporated herein by reference, or in any agreement between the Client and any other party concerning the Project, the Engineer shall not have control of and shall not be responsible for the means, methods, techniques, sequences or procedures of construction; or the safety, safety precautions or programs of the Client, the construction contractor, other contractors or subcontractors performing any of the work or providing any of the services on the Project. Nor shall the Engineer be responsible for the acts or omissions of the Client, or for the failure of the Client, any contractor or subcontractor, or any other engineer, architect or consultant not under contracts to the Engineer to carry out their respective responsibilities in accordance with the Project documents, this Agreement or any other agreement concerning the Project.

Engineer shall determine the amounts owing to the construction contractor and recommend in writing payments to the contractor in such amounts. By recommending any payment, the Engineer will not thereby be deemed to have represented that exhaustive, continuous or detailed reviews or examinations have been made to check the quality or quantity of the contractor's work.

3. **Responsibility of the Client.** Client shall provide all criteria and full information as to his requirements for the Project, including budgetary limitations. Client shall arrange for Engineer to enter upon public and private property and obtain all necessary approvals and permits required from all governmental authorities having jurisdiction over the Project.

Client shall give prompt written notice to the Engineer whenever Client observes or otherwise becomes aware of any development that affects the scope or timing of Engineer's services, or any defect or nonconformance in the work of any construction contractor.

Client shall examine all documents presented by Engineer, obtain advice of an attorney or other consultant as Client deems appropriate for such examinations and provide decisions pertaining thereto within a reasonable time so as not to delay the service of the Engineer.

4. **Designation of Authorized Representatives.** Each party shall designate one or more persons to act with authority in its behalf with respect to appropriate aspects of the Project. The persons designated shall review and respond promptly to all communications received from the party.
5. **Ownership of Documents.** Drawings, specifications, reports and any other documents prepared by Engineer in connection with any or all of the services furnished hereunder shall be the property of Client. Engineer shall have the right to retain copies of all documents and drawings for its files.
6. **Reuse of Documents.** All documents, including drawings and specifications furnished by Engineer pursuant to this Agreement, are intended for use on the Project only. They should not be used by Client or others on extensions of the Project or on any other project. Any reuse, without written verification or

adaption by Engineer, shall be at Client's sole risk, and Client shall indemnify and hold harmless Engineer from all claims, damages, losses and expenses, including attorney's fees arising out of or resulting therefrom.

7. **Opinions of Cost.** Since the Engineer has no control over the cost of labor, materials, equipment or services furnished by the contractor, or over the contractor's methods of determining prices, or over competitive bidding or market conditions, the Engineer cannot and does not guarantee that proposals, bids or actual construction costs will not vary from his opinions or estimates of construction costs.
8. **Changes.** Client reserves the right by written change order or amendment to make changes in requirements, amount of work or engineering time schedule adjustments; and Engineer and Client shall negotiate appropriate adjustments in fee and/or schedule acceptable to both parties to accommodate any changes.
9. **Delays.** If the Engineer's services are delayed by the Client, or for other reasons beyond the Engineer's control, for more than one year, the fee provided for in this Agreement shall be adjusted equitably.
10. **Subcontracts.** Engineer may subcontract portions of the services, but each subcontractor must be approved by Client in writing.
11. **Suspension of Services.** Client may, at any time, by written order to Engineer, require Engineer to stop all, or any part, of the services required by this Agreement. Upon receipt of such an order, Engineer shall immediately comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the services covered by the order. Client, however, shall pay all costs associated with suspension including all costs necessary to maintain continuity and the staff required to resume the services upon expiration of the suspension of work order. Engineer will not be obligated to provide the same personnel employed prior to suspension when the services are resumed in the event the period of any suspension exceeds 30 days. Client will reimburse Engineer for the costs of such suspension and remobilization.
12. **Termination.** This Agreement may be terminated by either party upon 30 days written notice in the event of substantial failure by the other party to perform in accordance with the terms hereof through no fault of the terminating party. This Agreement may be terminated by Client, under the same terms, whenever Client shall determine that termination is in its best interests. Cost of termination, including salaries, overhead and fee, incurred by the Engineer either before or after the termination date shall be reimbursed by Client.
13. **Notices.** Any notice or designation required to be given by either party hereto shall be in writing and, unless receipt of such notice is expressly required by the terms hereof, it shall be deemed to be effectively served when deposited in the mail with sufficient first class postage affixed and addressed to the party to whom such notice is directed at such party's place of business or such other address as either party shall hereinafter furnish to the other party by written notice as herein provided.
14. **Indemnification.** Engineer shall indemnify and hold harmless Client from Client's loss or expense, including reasonable attorney's fees for claims for personal injury (including death) or property damage arising out of the sole negligent act, error or omission of Engineer.

Client shall indemnify and hold harmless Engineer from Engineer's loss or expense, including reasonable attorney's fees, for claims for personal injuries (including death) on property damage arising out of the sole negligent act, error or omission of Client.

In the event of joint or concurrent negligence of Engineer and Client, each shall bear that portion of the loss or expense that its share of the joint or concurrent negligence bears to the total negligency (including that of third parties) which caused the personal injury or property damage.

Client shall not be liable to the Engineer, and the Engineer shall not be liable to the Client, for any special,

incidental or consequential damages, including, but not limited to, loss of use and loss of profit, incurred by either party due to the fault of the other, regardless of the nature of this fault, or whether it was committed by the Client of the Engineer or their employees, agents or subcontractors, by reason of services rendered under this Agreement.

15. **Legal Proceedings.** In the Event's employees are at any time required by Client to provide testimony, answer interrogatories or otherwise provide information ("testimony") in preparation for or at a trial, hearing, proceeding or inquiry ("proceeding") arising out of the services that are the subject of this Agreement, where Engineer is not a party to such a proceeding, Client will compensate Engineer for its services and reimburse Engineer for all related direct costs incurred in connection with providing such testimony. This provision shall be of no effect if the parties have agreed in a separate agreement or an amendment to this Agreement to terms which specifically supersede this provision, nor shall this provision apply in the event Client engages Engineer to provide expert testimony or litigation support, which services shall be the subject of a separate agreement or an amendment to this Agreement.
16. **Successors and Assigns.** The terms of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided however, that neither party shall assign this Agreement in whole or in part without the prior written approval of the other.
17. **Insurance.** Within the context of prudent business practices, Engineer shall endeavor to maintain workmen's compensation and unemployment compensation of a form and in an amount as required by state law; comprehensive liability with maximum limits of \$500,000/\$1,000,000; automotive liability with maximum limits of \$50,000/\$500,000; and professional liability insurance with an annual limit of \$500,000. Client recognizes that insurance market is erratic and Engineer cannot guarantee to maintain the coverages identified above.
18. **Information Provided by the Client.** The Engineer shall indicate to the Client the information needed for rendering of services hereunder. The Client may elect to provide this information (including services by others) to the Engineer. In this case, the Client recognizes that the Engineer cannot assure the sufficiency of such information. Accordingly, the Engineer shall not be liable for any claims for injury or loss arising from errors, omissions or inaccuracies in documents or other information provided by the Client. In addition, the Client agrees to compensate the Engineer for any time spent or expenses incurred in defending such claim or in making revisions to his work as a direct or indirect result of information provided by the Client which is sufficient.
19. **Subsurface Conditions and Utilities.** Client recognizes that a comprehensive sampling and testing program implemented by trained and experienced personnel of Engineer of Engineer's subconsultants with appropriate equipment may fail to detect certain hidden conditions. Client also recognizes that actual environmental, geological and geotechnical conditions that Engineer properly inferred to exist between sampling points may differ significantly from those that actually exist.

Engineer will locate utilities which will affect the project from information provided by the Client and utility companies and from Engineer's surveys. In that these utility locations are based, at least in part, or information from others, Engineer cannot and does not warrant their completeness and accuracy.
20. **Hazardous Materials.** When hazardous materials are known, assumed or suspected to exist at a project site, Engineer is required to take appropriate precautions to protect the health and safety of his personnel, to comply with the applicable laws and regulations and to follow procedures deemed prudent to minimize physical risks to employees and the public. Client hereby warrants that, if he knows or has any reason to assume or suspect that hazardous materials may exist at the project site, he will inform Engineer in writing prior to initiation of services under this Agreement.

Hazardous materials may exist at a site where there is no reason to believe they could or should be present. Client agrees that the discovery of unanticipated hazardous materials constitutes a changed condition mandating a renegotiation of the scope of work or termination of services. Engineer agrees to notify Client as soon as practically possible should unanticipated hazardous materials or suspected hazardous materials be encountered. Client waives any claim against Engineer and agrees to indemnify, defend and hold

Engineer harmless from any claim or liability for injury or loss arising from Engineer's encountering unanticipated hazardous materials or suspected hazardous materials. Client also agrees to compensate Engineer for any time spent and expenses incurred by Engineer in defense of any such claim.

21. **Risk Allocation.** The Client recognizes that Engineer's fee includes an allowance for funding a variety of risks which affect the Engineer by virtue of his agreeing to perform services on the Client's behalf. One of these risks stems from the Engineer's potential for human error. In order for the Client to obtain the benefits of a fee which includes a lesser allowance for risk funding, the Client agrees to limit the Engineer's liability to the Client and all construction contractors arising from the Engineer's professional acts, errors, or omissions, such that the total aggregate liability of the Engineer to all those named shall not exceed \$50,000 or the Engineer's total fee for the services rendered on this project, whichever is greater.
22. **Anticipated Change Orders.** Client recognizes and expects that a certain amount of imprecision and incompleteness is to be expected in construction contract documents; that contractors are expected to furnish and perform work, materials and equipment that may reasonably be inferred from the contract documents or from the prevailing custom or trade usage as being required to produce the intended result whether or not specifically called for; and that a certain amount of change orders are to be expected. As long as Engineer provides services in a manner consistent with that standard of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions, client agrees not to make any claim against Engineer for cost of these change orders unless these costs become a significant part of the construction contract amount. In no case will Client make claim against Engineer for costs incurred in the change order work is a necessary part of the Project for which Client would have incurred cost if work had been included originally in the contract documents unless Client can demonstrate that such costs were higher through issuance of the change order than they would have been if originally included in the contract documents in which case any claim of Client against Engineer will be limited to the cost increase and not the entire cost of the change order.
23. **Payment.** Engineer shall submit monthly statements to Client. Payment in full shall be done upon receipt of the invoice. If payments are delinquent after 30 days from invoice date, the Client agrees to pay interest on the unpaid balance at the rate of one percent per month. Payment for Engineer's services is not contingent on any factor except Engineers ability to provide services in a manner consistent with that standard of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions.
24. **Force Majeure.** Neither Client nor Engineer shall be liable for any fault or delay caused by contingency beyond their control including, but not limited to, acts of God, wars, strikes, walkouts fires, natural calamities, or demands or requirements of governmental agencies.
25. **Compliance with Laws.** To the extent they apply to its employees or its services, the Engineer shall comply with all applicable United States, state, territorial and commonwealth laws, including ordinances of any political subdivisions or agencies of the United States, any state, territory, or commonwealth thereof.
26. **Separate Provisions.** If any provisions of this Agreement are held to be invalid or unenforceable, the remaining provisions shall be valid and binding.
27. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the principal place of business of the Engineer.
28. **Amendment.** This Agreement shall not be subject to amendment unless other instrument is executed by duly authorized representatives of each of the parties.
29. **Entire Understanding of Agreement.** This Agreement represents and incorporates the entire understanding of the parties hereto, and each party acknowledges that there are no warranties, representations, covenants or understandings of any kind, matter or description whatsoever, made by either party to the other except as expressly set forth herein. Client and Engineer hereby agree that any purchase orders, invoices, confirmations, acknowledgments or other similar documents executed or delivered with

respect to the subject matter hereof that conflict with the terms of this Agreement shall be null, void and without effect to the extent they conflict with the terms of this Agreement.

30. **Design without Construction Phase Services.** Should Client provide Construction Phase services with either Client's representatives or a third party, Engineer's Basic Services under this Agreement will be considered to be completed upon completion of the Final Design Phase or Bidding or Negotiating Phase.

It is understood and agreed that if Engineer's Basic Services under this Agreement do not include Project observation, or review of the Contractor's performance, or any other Construction Phase services, and that such services will be provided by Client, then Client assumes all responsibility for interpretation of the Contract Documents and for construction observation or review and waives any claims against the Engineer that may be in any way connected thereto.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE MAYOR TO SIGN PRELIMINARY ENGINEERING CONTRACT WITH DUNGAN ENGINEERING FOR TRANSPORTATION ENHANCEMENT PROJECT

Motion was made by Council Member Watkins, seconded by Council Member Lane to authorize Mayor to sign Preliminary Engineering Contract with Dungan

Engineering for Transportation Enhancement Project (Historic District Enhancement Project No. STP-0400-00(028) LPA 106004-70100).

THE CITY OF PICAYUNE
PRELIMINARY ENGINEERING CONTRACT
FOR
CITY OF PICAYUNE –
HISTORIC DISTRICT ENHANCEMENTS
PROJECT NO. STP-0400-00(028) LPA106004-701000
PEARL RIVER COUNTY, MS

PICAYUNE, MS

MARCH 2013



Prepared By:



DUNGAN ENGINEERING, P.A.
925 GOODYEAR BOULEVARD
PICAYUNE, MISSISSIPPI 39466
(601) 799-1037

SET NO. ___

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ESC
Rev. 08/28/84 (Base)
Rev. 02-20-2011 (This form)

PRELIMINARY ENGINEERING SERVICES CONTRACT

City of Picayune – Historic District Enhancements
Project No. ***STP-0400-00(028)LPA/106442-701000***
Pearl River

THIS CONTRACT, is made and entered into by and between the ***City of Picayune***, a body Corporate of the State of Mississippi (the "LPA"), and, ***Dungan Engineering, P.A.*** (the "CONSULTANT"), a ***Mississippi*** Corporation, duly registered to do business in the State of Mississippi, whose address for mailing is ***925 Goodyear Blvd, Picayune, MS, 39466***, effective as of the date of latest execution below.

WITNESSETH:

WHEREAS, the LPA proposes to perform ***Enhancements of the Historic District along Goodyear Boulevard and West Canal Street from Main Street to Quince Street, and West Canal from South Haugh to Highway 11*** as provided for in Project No. ***STP-0400-00(028)LPA/106442-701000***, hereinafter called the "PROJECT"; and,

WHEREAS, the LPA desires to engage a qualified and experienced CONSULTANT to perform engineering services in connection with the PROJECT, all of which are hereinafter called the "SERVICES"; and,

WHEREAS, the CONSULTANT has represented to the LPA that it is experienced and qualified to provide those services, and the LPA has relied upon such representation; and,

WHEREAS, the CONSULTANT herein was chosen for their expertise in performing the services in connection with the PROJECT and found satisfactory by the LPA; which is now desirous of entering into a contract;

WHEREAS, the CONSULTANT herein was chosen through the Consultant Selection Process pursuant to Mississippi Department of Transportation (hereinafter "MDOT") Standard Operating Procedure ADM-24-01-00-000; (March 1, 2001, as amended) and Federal Aid Policy Guide Part 172 and found satisfactory; to the end that both parties are now desirous of entering into a contract; and

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein and for other good and valuable considerations flowing unto the parties, the receipt and sufficiency of which is hereby acknowledged, the LPA and the CONSULTANT do hereby contract and agree as follows:

ARTICLE I. GENERAL RECITALS

CONSULTANT shall, for the agreed fees, furnish all engineering services and materials required to perform the tasks described in the Scope of Work for the proposed transportation project. In so doing, CONSULTANT shall meet the current industry standards as to general format and content and in addition thereto, any special requirements of the LPA.

THE LPA, in support of CONSULTANT will provide the CONSULTANT a Scope of Work shown in "Exhibit 2" hereto and any other data which may be of assistance to CONSULTANT and within the possession and control of the LPA.

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Manuals, guides, and specifications applicable to this CONTRACT shall be those approved and/or adopted by MDOT and in effect on the effective date of this CONTRACT, unless otherwise specified in this Contract or subsequently directed by MDOT during the course of the CONTRACT.

ARTICLE II. SCOPE OF WORK

The CONSULTANT shall conduct the SERVICES in accordance with the Scope of Work attached to this CONTRACT as "Exhibit 2" and made a part hereof as if fully set forth herein. The performance of the SERVICES referred to in "Exhibit 2" shall be the primary basis for measurement of performance under this CONTRACT. The LPA specifically reserves the right and privilege to enlarge or reduce the scope; or to cancel this CONTRACT at any time.

ARTICLE III. CONTRACT TERM

This CONTRACT shall commence upon the latest date of execution below and continue until such time as the above named project is successfully completed to the satisfaction of the LPA or until *December 2014*, CDT, at which time this CONTRACT shall absolutely and finally terminate.

During the term of this CONTRACT, the LPA reserves the right to terminate this CONTRACT in whole or in part, at any time, with or without cause, upon seven (7) days written notice to the CONSULTANT, notwithstanding any just claims by the CONSULTANT for payment of SERVICES rendered prior to the date of termination. The LPA shall be liable only for the costs, fees and expenses for demobilization and close out of contract, based on actual time and expenses incurred by CONSULTANT in the packaging and shipment of all documents covered by this CONTRACT to the LPA. In no event shall the LPA be liable for lost profits or other consequential damages.

ARTICLE IV. TIME OF PERFORMANCE

TIME IS OF THE ESSENCE IN THIS CONTRACT. The CONSULTANT shall be prepared to perform its responsibilities for providing SERVICES commencing on the date of execution of the CONTRACT.

The CONSULTANT has submitted a proposed project schedule to the LPA which has been incorporated herein as a part of "Exhibit 2", which when approved by final execution of this CONTRACT shall control the evaluation of the CONSULTANT's progress on this PROJECT. A copy of the progress schedule, indicating the actual time expended on specific portions of this project, shall be submitted along with an estimated percentage completed with each monthly statement.

A Notice to Proceed shall be issued under authority from the LPA within 30 days after final execution of this CONTRACT. The CONSULTANT may not begin work on any feature of this PROJECT prior to receiving a Notice to Proceed from the LPA.

ARTICLE V. RELATIONSHIP OF THE PARTIES

The relationship of the CONSULTANT to the LPA is that of an independent contractor, and said CONSULTANT, in accordance with its status as an independent contractor, covenants and agrees that it will conduct itself consistent with such status, that it will neither hold itself out as, nor claim to be, an officer or employee of the LPA by reason hereof. The CONSULTANT will not by reason hereof, make any claim, demand or application or for any right or privilege applicable to an officer or employee of the LPA, including but not limited to workers' compensation coverage, unemployment insurance benefits, social security coverage, retirement membership or credit, or any form of tax withholding whatsoever.

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All notices, communications, and correspondence between the LPA and the CONSULTANT shall be directed to the key personnel and agents designated in this contract.

ARTICLE VI. COMPENSATION, BILLING & AUDIT

A. Cost and Fees

The CONSULTANT shall be paid on the basis set forth in "Exhibit 3" to this CONTRACT. Under no circumstances shall the LPA be liable for any amounts, including any costs, which exceed the maximum dollar amount of compensation that is specified in and set forth in "Exhibit 3".

B. Monthly Billing

The CONSULTANT may submit monthly billing to the LPA. (A sample of a preferred invoice is attached as "Exhibit 4".) Each billing shall include all time and allowable expenses through the end of the billing period. Direct expenses, as used herein, include the costs of travel, subsistence, shipping charges, long distance telephone calls and printing if it is not company accounting policy to include these costs in overhead rates. The LPA retains the right to verify time and expense records by audit of any or all CONSULTANT's time and accounting records at any time during the life of the CONTRACT and up to three years thereafter.

IF SERVICES are rendered within a given State fiscal year, an invoice requesting payment from the CONSULTANT shall be presented to the LPA within 60 days of the end of the State fiscal year. **Should the CONSULTANT fail to present the invoice within the allotted time, legislative approval may be required before payment can be rendered.**

The CONSULTANT further agrees that FHWA or any other Federal Agency may audit the same records at any time during the life of the CONTRACT and up to three years thereafter, should the funding source for all or any part of the CONTRACT be funds of the United States of America.

C. Record Retention

The CONSULTANT shall maintain all time and expense records incurred on the PROJECT and used in support of its proposal and shall make such material available at all reasonable times during the period of the CONTRACT and for three years from the date of final payment under this CONTRACT for inspection by the LPA, and copies thereof shall be furnished upon request, at the LPA's expense. The CONSULTANT agrees that the provisions of this Article shall be included in any CONTRACT it may make with any subcontractors, assignees or transferees.

D. Retainage

The LPA shall retain the final 25% of the CONSULTANT's Fixed Fee until the final payment request has been received and an audit of the total PROJECT cost to date has been completed by the LPA or its designee.

ARTICLE VII. FINAL PAYMENT

The CONSULTANT shall clearly indicate on its last Invoice for the CONTRACT that the Invoice is "FINAL". The LPA will confirm that the CONTRACT is ready to be closed and the "FINAL" Invoice may be paid. All "FINAL" invoices shall pay any retainage withheld on the CONTRACT. However, under no circumstances will the total amount paid exceed the maximum not to exceed amount established for the CONTRACT. The CONSULTANT agrees that acceptance of the final payment shall be in full and final settlement of all claims arising against the LPA for work done, documents furnished, cost incurred, or otherwise arising out of this CONTRACT and shall release the LPA from any and all further claims of whatever nature, whether known or unknown, for and on account of said CONTRACT, including payment for any and all work done, and labor and material furnished in connection with the same. Errors and/or omissions discovered subsequent to the acceptance by the LPA of the final contract documents shall be corrected by the CONSULTANT without additional compensation. The CONSULTANT shall submit their "FINAL" invoice no later than 45 days following termination of the CONTRACT.

ARTICLE VIII. REVIEW OF WORK

Authorized representatives of the LPA may at all reasonable times review and inspect the SERVICES under this CONTRACT and any addenda or amendments thereto. Authorized representatives of the FHWA may also review and inspect the SERVICES under this CONTRACT should funds of the United States of America be in any way utilized in payment for said SERVICES. Such inspection shall not make the United States of America a party to this CONTRACT, nor will FHWA interfere with the rights of either party hereunder.

All reports, drawings, studies and maps prepared by and for the CONSULTANT, shall be made available to authorized representatives of the LPA for inspection and review at all reasonable times in the General Offices of the LPA. Authorized representatives of the FHWA may also review and inspect said reports, drawings, studies and maps prepared under the CONTRACT should funds of the United States of America be in any way utilized in payment for the same. Acceptance by the LPA shall not relieve the CONSULTANT of its professional obligation to correct, at its expense, any of its breaches, errors and/or omissions, in the final version of the work.

The CONSULTANT shall be responsible for performance of and compliance with all terms of this CONTRACT, including the Scope of Work and other exhibits, and including any technical specifications and special requirements of the LPA, and shall be responsible for errors and/or omissions, including those as to conduct and care, format and content, for all aspects of the CONTRACT, and including professional quality and technical accuracy of all designs, drawings, specifications, and other services furnished by the CONSULTANT.

Failure to comply with any terms of this CONTRACT shall be corrected by the CONSULTANT without additional compensation.

If any breach of CONTRACT, is discovered by LPA personnel after final acceptance of the work by the LPA, then the CONSULTANT shall, without additional compensation, cure any deficiency or breach including errors and/or omissions in designs, plans, drawings, specifications, or other services.

In the event that the project schedule requires that a breach of this CONTRACT be corrected by someone other than the CONSULTANT then the actual costs incurred by the LPA for such corrections shall be the responsibility of the CONSULTANT. The LPA shall give the CONSULTANT an opportunity to correct said breach unless (1) the LPA determines, in its sole discretion, that the CONSULTANT cannot cure the breach within the schedule established by the LPA, or (2) the LPA determines, in its sole discretion, that the CONSULTANT cannot cure the breach to the satisfaction of the LPA.

In the event that the CONSULTANT breaches this CONTRACT, and the breaches of the CONSULTANT are discovered during the construction phase, then an accounting of all costs incurred by the LPA resulting from such breach, including errors and/or omissions, will be made and such amount will be recovered from the CONSULTANT.

ARTICLE IX. RESPONSIBILITIES FOR CLAIMS AND LIABILITY

The CONSULTANT shall indemnify, defend and hold harmless the LPA and all its officers, agents and employees from any claim, loss, damage, cost, charge or expense arising out of any negligent act, actions, neglect or omission by the CONSULTANT, its agents, employees, or subcontractors during the performance of this CONTRACT, whether direct or indirect, and whether to any person or property for which LPA or said parties may be subject, except that neither the CONSULTANT nor any of his agents or subcontractors will be liable under this provision for damages arising out of the injury or damage to persons or property solely caused or resulting from the negligence of the LPA or any of its officers, agents or employees.

The CONSULTANT'S obligations under this Article, including the obligations to indemnify, defend, hold harmless, pay reasonable attorney fees or, at the LPA'S option, participate and associate with the LPA in the defense and trial or arbitration of any damage claim, lien or suit and any related settlement negotiations, shall be initiated by the LPA'S notice of claim for indemnification to the CONSULTANT. Only an adjudication or judgment after the highest appeal is exhausted specifically finding the LPA entirely responsible shall excuse performance of this provision by the CONSULTANT. In such case, the LPA shall pay all costs and fees related to this obligation and its enforcement. Should there be a finding of dual or multiple liability, costs and fees shall be apportioned accordingly.

In conjunction herewith, the LPA agrees to notify CONSULTANT in writing as soon as practicable after receipt or notice of any claim involving CONSULTANT. These indemnities shall not be limited by reason of the listing of any insurance coverage below.

ARTICLE X. INSURANCE

Prior to beginning the work, the CONSULTANT shall obtain and furnish certificates to the LPA for the following minimum amounts of insurance:

- A. Workers' Compensation Insurance in accordance with the laws of the State of Mississippi.
- B. Public Liability Insurance in an amount not less than one million dollars (\$1,000,000.00) on account of any one occurrence.
- C. Property Damage Insurance in an amount not less than five hundred thousand dollars (\$500,000.00) from damages on account of any one occurrence, with an aggregate limit of not less than one million dollars (\$1,000,000.00).
- D. Valuable Documents Insurance, whether as a part of the property damage insurance referenced above or as separate insurance, in an amount sufficient to cover all costs associated with repairing, restoring or replacing any documents kept or created by Consultant as a part of the Services, in the event of casualty to, or loss or theft of such documents.
- E. Errors and Omissions Insurance, in an amount not less than one million dollars (\$1,000,000.00) per incident; one million dollars (\$1,000,000.00) aggregate.
- F. Comprehensive Automobile Liability Insurance, with a combined single limit for bodily injury and property damage of not less than one million dollars (\$1,000,000.00) per incident with respect to CONSULTANT'S (owned, hired or non-owned) vehicles, assigned to or used in the performance of services.

The LPA shall be listed as a certificate holder of insurance on any of the insurance required under this CONTRACT.

In the event that the CONSULTANT retains any subcontractor or other personnel to perform SERVICES or carry out any activities under or incident to work on any project or phase of this CONTRACT, CONSULTANT agrees to obtain from said subcontractor or other personnel, certificates of insurance demonstrating that said subcontractor or other personnel has all of the above coverage, or to include said subcontractor or other personnel within CONSULTANT'S coverage for the duration of said PROJECT or phase for which said subcontractor or other personnel is employed.

The Insurance coverage recited above shall be maintained in full force and effect by CONSULTANT during the life of this CONTRACT. Should CONSULTANT cease to carry the errors and omissions coverage listed above for any reason, it shall obtain "tail" coverage at the same limits for a period of not less than three (3)

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years subsequent to policy termination or contract termination, whichever is longer. Should CONSULTANT change insurance carriers for errors and /or coverage, it shall obtain a "retroactive coverage" endorsement from its new insurance carrier.

Insurance carriers must be properly licensed and/or must hold a Certificate of Authority from the Mississippi Department of Insurance.

A certificate of insurance acceptable to the LPA shall be issued to the LPA by the CONSULTANT prior to the execution of this CONTRACT by the CONSULTANT and thereafter on an annual basis for the duration of this CONTRACT as evidence that policies providing the required coverage, conditions and limits are in full force and effect. Such certificate shall identify this CONTRACT and contain provisions that coverage afforded under the policies will not be cancelled, terminated, or materially altered until at least thirty (30) days prior written notice has been given to the LPA.

The CONSULTANT will furnish certified copies, upon request, of any or all of the policies and/or endorsements to the LPA prior to the execution of this CONTRACT and thereafter on an annual basis for the duration of this CONTRACT.

The CONSULTANT shall provide the LPA any and all documentation necessary to prove compliance with the insurance requirements of this CONTRACT as such documentation is requested, from time to time, by the LPA.

If the CONSULTANT fails to procure or maintain required insurance, the LPA may immediately elect to terminate this CONTRACT or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, and all monies so paid by the LPA shall be repaid by the CONSULTANT to the LPA upon demand, or the LPA may offset the cost of the premiums against any monies due to the CONSULTANT from the LPA.

ARTICLE XI. COVENANT AGAINST CONTINGENT FEES AND LOBBYING

The CONSULTANT shall comply with the relevant requirements of all federal, state or local laws. The CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the CONSULTANT, to solicit or secure this CONTRACT, and that it has not paid or agreed to pay any company or person, other than a bona fide employee working solely for the CONSULTANT, any fee commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award or making of the CONTRACT. The CONSULTANT warrants that it shall not contribute any money, gift or gratuity of any kind, either directly or indirectly to any employee of the LPA, or to any employee of the Mississippi Department of Transportation. For breach or violation of this warranty, the LPA shall have the right to terminate this CONTRACT without liability, and the CONSULTANT shall forfeit any sums due hereunder at the time of such breach and may be barred from performing any future services for the LPA or participating in any future contracts with the LPA.

ARTICLE XII. EMPLOYMENT OF LPA'S PERSONNEL

The CONSULTANT shall not employ any person or persons in the employ of the LPA for any work required by the terms of this CONTRACT, without the written permission of the LPA, except as may otherwise be provided for herein.

ARTICLES XIII. MODIFICATION

If, prior to the satisfactory completion of the SERVICES under this CONTRACT, the LPA materially alters the scope, character, complexity or duration of the SERVICES from those required under this CONTRACT, a supplemental agreement may be executed between the parties. Also, a supplemental agreement may be executed between the parties in the event that both parties agree the CONSULTANT's compensation

should be increased due to an unanticipated increase in the nature, scope or amount of work necessary to properly provide the SERVICES required on any particular phase or project begun hereunder.

Oral agreements or conversations with the LPA, any individual member of the LPA, officer, agent, or employee of the Mississippi Department of Transportation, either before or after execution of this CONTRACT, shall not affect or modify any of the terms or obligations contained in this CONTRACT. All modifications to this CONTRACT, amendments or addenda thereto must be submitted in writing and signed by the parties thereto before any work is commenced.

The CONSULTANT may not begin work on any modifications, amendments, or addenda prior to receiving a Notice to Proceed.

Minor changes in the proposal which do not involve changes in the compensation, extensions of time or changes in the goals and objectives of the CONTRACT may be made by written notification of such change by either the LPA or the CONSULTANT to the other party, and shall become effective upon written acceptance thereof (i.e. letter agreement).

ARTICLE XIV. SUBLETTING, ASSIGNMENT OR TRANSFER

It is understood by the parties to this CONTRACT that the work of the CONSULTANT is considered personal by the LPA. The CONSULTANT shall not assign, sublet or transfer any or all of its interest in this CONTRACT without prior written approval of the LPA. Under no circumstances will CONSULTANT be allowed to sublet more than 60% of the work required under this contract. It is clearly understood and agreed that specific projects or phases of the work may be sublet in their entirety provided that CONSULTANT performs at least 40% of the overall contract with its own forces. Consent by the LPA to any subcontract shall not relieve CONSULTANT from any of its obligations hereunder, and CONSULTANT is required to maintain final management responsibility with regard to any such subcontract.

The LPA reserves the right to review all subcontract documents prepared in connection with this CONTRACT, and the CONSULTANT agrees that it shall submit to the LPA any proposed subcontract document together with subcontractor cost estimates for review and written concurrence of the LPA in advance of their execution.

**ARTICLE XV. OWNERSHIP OF PRODUCTS AND DOCUMENTS AND
WORK MADE FOR HIRE**

The CONSULTANT agrees that all reports, computer information and access, drawings, studies, notes, maps and other data, prepared by and for them under the terms of this CONTRACT shall be delivered to, become and remain in the property of the LPA upon creation and shall be delivered to the LPA upon termination or completion of work, or upon request of the LPA regardless of any claim or dispute between the parties. All such data shall be delivered within thirty (30) days of receipt of a written request by the LPA.

The CONSULTANT and the LPA intend and agree that this CONTRACT to be a contract for services and each party considers the products and results of the services to be rendered by the CONSULTANT hereunder, including any and all material produced and/or delivered under this CONTRACT (the "Work"), to be a "work made for hire" under U.S. copyright and all applicable laws. The CONSULTANT acknowledges and agrees that the LPA owns all right, title, and interest in and to the Work including, without limitation, the copyright thereto and all trademark, patent, and all intellectual property rights thereto.

If for any reason the Work would not be considered a work made for hire under applicable law, or in the event this CONTRACT is determined to be other than a contract or agreement for a work made for hire, the CONSULTANT does hereby transfer and assign to the LPA, and its successors and assigns, the entire right, title, and interest in and to any Work prepared hereunder including, without limitation, the following:

the copyright and all trademark, patent, and all intellectual property rights in the Work and any registrations and copyright, and/or all other intellectual property, applications relating thereto and any renewals and extensions thereof; all works based upon, derived from, or incorporating the Work; all income, royalties, damages, claims, and payments now or hereafter due or payable with respect thereto; all causes of action, either in law or in equity, for past, present, or future infringement based on the copyrights and/or all other intellectual property; all rights, including all rights to claim priority, corresponding to the foregoing in the United States and its territorial possessions and in all foreign countries. The CONSULTANT agrees to execute all papers and perform such other proper acts as the LPA may deem necessary to secure for the LPA or its designee the rights herein assigned.

The LPA may, without any notice or obligation of further compensation to the CONSULTANT, publish, re-publish, anthologize, use, disseminate, license, or sell the Work in any format or medium now known or hereafter invented or devised. The LPA'S rights shall include, without limitation, the rights to publish, re-publish, or license a third party to publish, re-publish, or sell the Work in print, on the World Wide Web, or in any other electronic or digital format or database now known or hereafter invented or devised, as a separate isolated work or as part of a compilation or other collective work, including a work different in form from the first publication, and to include or license a third party to include the Work in an electronic or digital database or any other medium or format now known or hereafter invented or devised.

The CONSULTANT shall obtain any and all right, title, and interest to all input and/or material from any third party subconsultant, or any other party, who may provide such input and/or material to any portion of the Work so that said right, title, and interest, and all such interest in and to the Work including, without limitation, the copyright thereto and all trademark, patent, and all intellectual property rights thereto, shall belong to the LPA.

For any intellectual property rights currently owned by third parties or by the CONSULTANT and not subject to the terms of this CONTRACT, the CONSULTANT agrees that it will obtain or grant royalty-free, nonexclusive, irrevocable license(s) for or to the LPA at no cost to the LPA to use all copyrighted or copyrightable work(s) and all other intellectual property which is incorporated in the material furnished under this CONTRACT. Further, the CONSULTANT warrants and represents to the LPA that it has obtained or granted any and all such licensing prior to presentation of any Work to the LPA under this CONTRACT. This obligation of the CONSULTANT does not apply to a situation involving a third party who enters a license agreement directly with the LPA.

The CONSULTANT warrants and represents that it has not previously licensed the Work in whole or in part to any third party and that use of the Work in whole or in part will not violate any rights of any kind or nature whatsoever of any third party. The CONSULTANT agrees to indemnify and hold harmless the LPA, its successors, assigns and assignees, and its respective officers, directors, agents and employees, from and against any and all claims, damages, liabilities, costs and expenses (including reasonable attorneys' fees), arising out of or in any way connected with any breach of any representation or warranty made by CONSULTANT herein.

ARTICLE XVI. PUBLICATION AND PUBLICITY

The CONSULTANT agrees that it shall not for any reason whatsoever communicate to any third party, with the exception of the MDOT and the FHWA, in any manner whatsoever concerning any of its CONTRACT work product, its conduct under the CONTRACT, the results or data gathered or processed under this CONTRACT, which includes, but is not limited to, reports, computer information and access, drawings, studies, notes, maps and other data prepared by and for the CONSULTANT under the terms of this CONTRACT, without prior written approval from the LPA, unless such release or disclosure is required by judicial proceeding. The CONSULTANT agrees that it shall immediately refer any third party who requests such information to the LPA and shall also report to the LPA any such third party inquiry, with the exception of the MDOT and/or the FHWA. This Article shall not apply to information in whatever form

that comes into the public domain, nor shall it restrict the CONSULTANT from giving notices required by law or complying with an order to provide information or data when such order is issued by a court, administrative agency or other authority with proper jurisdiction, or if it is reasonably necessary for the CONSULTANT to defend itself from any suit or claim.

IT IS FURTHER AGREED, that all approved releases of information, findings, and recommendations shall include a disclaimer provision and that all published reports shall include that disclaimer on the cover and title page in the following form:

The opinions, findings, and conclusions in this publication are those of the author(s) and not necessarily those of the Local Public Agency, Mississippi Department of Transportation, Mississippi Transportation Commission, the State of Mississippi, or the Federal Highway Administration.

ARTICLE XVII. CONTRACT DISPUTES

This CONTRACT shall be deemed to have been executed in **Pearl River** County, Mississippi, and all questions including, but not limited to, questions of interpretation, construction and performance shall be governed by the laws of the State of Mississippi, excluding its conflicts of laws provisions, and any litigation with respect to this CONTRACT shall be brought in a court of competent jurisdiction in **Pearl River County**, State of Mississippi. The CONSULTANT expressly agrees that under no circumstances shall the LPA be obligated to or responsible for payment of an attorney's fee for the cost of legal action to or on behalf of the CONSULTANT.

ARTICLE XVIII. COMPLIANCE WITH APPLICABLE LAW

- A. The undersigned certify that to the best of their knowledge and belief, the foregoing is in compliance with all applicable laws.
- B. The CONSULTANT shall observe and comply with all applicable federal, state, and local laws, rules and regulations, policies and procedures, ordinances, and orders and decrees of bodies or tribunals of the United States of America or any agency thereof, the State of Mississippi or any agency thereof, and any local governments or political subdivisions, that are in effect at the time of the execution of this CONTRACT or that may later become effective.
- C. The CONSULTANT shall not discriminate against any employee nor shall any party be subject to discrimination in the performance of this CONTRACT because of race, creed, color, sex, national origin, age or disability.
- D. IT IS FURTHER SPECIFICALLY AGREED that the CONSULTANT shall comply and shall require its subcontractors to comply with the regulations for COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, as amended, and all other applicable federal regulations as stated in "Exhibit 5" which is incorporated herein by reference.
- E. It is agreed that the CONSULTANT will comply with the provisions set forth in Department of Transportation, 49 CFR, Section 18, Et Seq., regarding Uniform Administrative Requirements for Grants and Cooperative agreements in its administration of this CONTRACT or any subcontract resulting herefrom.
- F. The CONSULTANT agrees that it will abide by the provisions of 49 CFR Section 26 regarding disadvantaged business enterprises and include the certification made in "Exhibit 5" to this CONTRACT in any and all subcontracts which may result from this CONTRACTS.

- G. The CONSULTANT shall comply and shall require its subconsultants to comply with Code of Federal Regulations CFR 23 Part 634 - Worker Visibility – as stated in “Exhibit 5”.
- H. IMMIGRANT STATUS CERTIFICATION. The CONSULTANT represents that it is in compliance with the Immigration Reform and Control Act of 1986 (Public Law 99-603), as amended, in relation to all employees performing work in the State of Mississippi and does not knowingly employ persons in violation of the United States immigration laws. The CONSULTANT further represents that it is registered and participating in the Department of Homeland Security’s E-Verify™ employment eligibility verification program, or successor thereto, and will maintain records of compliance with the Mississippi Employment Protection Act including, but not limited to, requiring compliance certification from all subcontractors and vendors who will participate in the performance of this Agreement and maintaining such certifications for inspection if requested. The CONSULTANT acknowledges that violation may result in the following: (a) cancellation of any public contract and ineligibility for any public contract for up to three (3) years, or (b) the loss of any license, permit, certification or other document granted by an agency, department or governmental entity for the right to do business in Mississippi for up to one (1) year, or (c) both. The CONSULTANT also acknowledges liability for any additional costs incurred by the LPA due to such contract cancellation or loss of license or permit. The CONSULTANT is required to provide the certification on Exhibit 9 in this CONTRACT to the LPA verifying that the CONSULTANT and subconsultant(s) are registered and participating in E-Verify prior to execution of this CONTRACT
- I. The covenants herein shall, except as otherwise provided, accrue to the benefit of and be binding upon the successors and assigns of the parties hereto.

ARTICLE XIX. WAIVER

Failure of either party hereto to insist upon strict compliance with any of the terms, covenants, and conditions hereof shall not be deemed a waiver or relinquishment of any similar right or power hereunder at any subsequent time, or of any other provision hereof, nor shall it be construed to be a modification of the terms of this CONTRACT.

ARTICLE XX. SEVERABILITY

If any terms or provisions of this CONTRACT are prohibited by the laws of the State of Mississippi or declared invalid or void by a court of competent jurisdiction, the remainder of this CONTRACT shall not be affected thereby and each term and provision of this CONTRACT shall be valid and enforceable to the fullest extent permitted by law.

ARTICLE XXI. ENTIRE AGREEMENT

This CONTRACT constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes and replaces any and all prior negotiations, understandings, and agreements, written or oral, between the parties relating thereto.

ARTICLE XXII. CONFLICT OF INTEREST

The CONSULTANT covenants that no public or private interests exist and none shall be acquired directly or indirectly which would conflict in any manner with the performance of the CONSULTANT’S CONTRACT. The CONSULTANT further covenants that no employee of the CONSULTANT or of any subconsultant(s), regardless of his/her position, is to personally benefit directly or indirectly from the performance of the SERVICES or from any knowledge obtained during the CONSULTANT’S execution of this CONTRACT.

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ARTICLE XXIII. AVAILABILITY OF FUNDS

It is expressly understood and agreed that the obligation of the LPA to proceed under this CONTRACT is conditioned upon the availability of funds, the appropriation of funds by the Mississippi Legislature, and the receipt of state and/or federal funds. If, at any time, the funds anticipated for the fulfillment of this CONTRACT are not forthcoming or are insufficient, either through the failure of the federal government to provide funds or of the State of Mississippi to appropriate funds or the discontinuance or material alteration of the program under which funds were provided, or if funds are not otherwise available to the LPA for the performance of this CONTRACT, the LPA shall have the right, upon written notice to the CONSULTANT, to immediately terminate or stop work on this CONTRACT without damage, penalty, cost, or expense to the LPA of any kind whatsoever. The effective date of termination shall be as specified in the notice of termination.

ARTICLE XXIV. STOP WORK ORDER

A. **Order to Stop Work.** The LPA may, by written order to the CONSULTANT at any time, and without notice to any surety, require the CONSULTANT to stop all or any part of the work called for by this CONTRACT. This order shall be for a specified period not exceeding twenty-four (24) months after the order is delivered to the CONSULTANT unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the CONSULTANT shall forthwith comply with its terms and take all steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the LPA shall either:

- (1) cancel the stop work order; or
- (2) terminate the work covered by such order according to and as provided in Article III of this CONTRACT.

Prior to the LPA'S taking official action to stop work under this CONTRACT, the Executive Director of MDOT may notify the CONSULTANT, in writing, of MDOT'S intentions to ask the LPA to stop work under this CONTRACT. Upon notice from the Executive Director of MDOT, CONSULTANT shall suspend all activities under this CONTRACT, pending final action by the LPA.

B. **Cancellation or Expiration of the Order.** If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONSULTANT shall have the right to resume work. If the LPA decides that it is justified, an appropriate adjustment may be made in the delivery schedule. If the stop work order results in an increase in the time required for or in the CONSULTANT'S cost properly allocable to the performance of any part of this CONTRACT and the CONSULTANT asserts a claim for such an adjustment within 30 days after the end of the period of work stoppage, an equitable adjustment in this CONTRACT may be made by written modification of this CONTRACT as provided by the terms of this CONTRACT.

C. **Termination of Stopped Work.** If a stop work order is not canceled and the work covered by such order is terminated, the CONSULTANT may be paid for services rendered prior to the Termination. In addition to payment for services rendered prior to the date of termination, the LPA shall be liable only for the costs, fees, and expenses for demobilization and close out of this CONTRACT, based on actual time and expenses incurred by the CONSULTANT in the packaging and shipment of all documents covered by this CONTRACT to the LPA. In no event shall the LPA be liable for lost profits or other consequential damages.

ARTICLE XXV. KEY PERSONNEL & DESIGNATED AGENTS

CONSULTANT agrees that Key Personnel identified as assigned to this PROJECT shall not be changed or reassigned without prior approval of the LPA or, if prior approval is impossible, and then notice to the LPA and subsequent review by the LPA which may approve or disapprove the action. For purposes of implementing this section and all other sections of this CONTRACT with regard to notice, the following individuals are herewith designated as agents for the respective parties unless otherwise identified in the addenda hereto:

LPA: City of Picayune
Fax (601) 798-0564
Email: picstaffasst@bellsouth.net

For Contractual Matters:
Ed Pintero, Jr., Ph.D., Mayor
Mayor, City of Picayune
815 N. Beech Street
Picayune, MS 39466
601-798-9770
601-798-0564
picstaffasst@bellsouth.net

For Technical Matters:
Eric Morris, Public Works Director
Public Works Director, City of Picayune
815 N. Beech Street
Picayune, MS 39466
601-798-9770
601-798-0564
emorris@picayune.ms.us

CONSULTANT:

Dungan Engineering, P.A.

For Contractual Matters:
Brooks Wallace, P.E.
925 Goodyear Blvd
Picayune, MS 39466
601-799-1037
601-799-0480
brooks@dunganeng.com

For Technical Matters:
Vernon Moore, P.E.
925 Goodyear Blvd
Picayune, MS 39466
601-799-1037
601-799-0480
vernon@dunganeng.com

Licensure Number
from the Mississippi
Board of Licensure
for Professional
Engineers/Architects and Surveyors:

P.E. # 17699
Surveyor # NA
Or
Architect's # NA

Licensure Number
from the Mississippi
Board of Licensure
for Professional
Engineers/Architect's and Surveyors:

P.E.# 19048
Surveyor # NA
Or
Architect's # NA

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ARTICLE XXVI. AUTHORIZATION

Both parties hereto represent that they have authority to enter into this CONTRACT and that the individuals executing this CONTRACT are authorized to execute it and bind their respective parties and certified copies of the applicable LPA Order and the Resolution of the Corporate Board of Directors of the CONSULTANT are attached hereto as "Exhibit 1" and incorporated herein by reference and made a part hereof as if fully copied herein in words and figures.

WITNESS this my signature in execution hereof, this the ____ day of _____, 20 ____.

CITY OF PICAYUNE

Ed Pinero, Jr., Ph.D, Mayor

WITNESS this my signature in execution hereof, this the ____ day of _____, 20 ____.

DUNGAN ENGINEERING, P.A.

BY: _____
Brooks Wallace, P.E.

ATTEST: _____

Exhibits attached hereto and incorporated by reference into this contract include those identified on the attached page entitled "List of Exhibits".

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LIST OF EXHIBITS

1. Evidence of Authority
2. General Scope of Work and Common Specifications
3. Fees and Expenses.
4. Sample Invoice
5. Notice to the CONSULTANT
6. CONSULTANT's Certification Regarding Debarment, Suspension and Other Responsibility Matters.
7. Certification of LPA
8. *{This Exhibit was intentionally left blank}*
9. Prime Consultant EEV Certification and Agreement

EXHIBIT 1

{{{Attach a copy of authority to execute contracts on behalf of the LPA}}}

{{{Attach a copy of authority to execute contracts on behalf of the Consultant Corporation here}}}

UNANIMOUS CONSENT TO ACTION BY THE DIRECTORS OF
DUNGAN ENGINEERING, P.A.
IN LIEU OF THE ANNUAL MEETING OF DIRECTORS

The undersigned, constituting all of the directors of DUNGAN ENGINEERING, P.A., a Mississippi Corporation, do hereby, pursuant to Mississippi Code Annotated Section 79-4-8.21, consent to the following actions undertaken in the name of and on behalf of the directors of the corporation, without the necessity of a meeting, in lieu of the annual meeting of the directors:

RESOLVED:

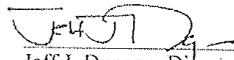
The following employees in their respective positions listed below are authorized to execute contracts on behalf of Dungan Engineering, PA.

H. Les Dungan III, Corporate President and Principal Engineer
J. Lee Mock, Corporate Vice President and Principal Engineer
Brooks Wallace, Corporate Vice President and Principal Engineer
Jeff J. Dungan, Corporate Secretary-Treasurer and Principal Engineer
Jeremy Cooper, Survey Manager
Dewayne Morea, Materials Testing Manager
Ryan Holmes, Engineering Manager Brookhaven Office
Sean Burns, City of Columbia Engineer
Stephen Sowell, Structural Engineer

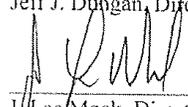
The undersigned, constituting all of the directors of DUNGAN ENGINEERING, P.A., have executed this unanimous consent action as of the ~~19th~~ day of January 20th, 2011, A.D.



H. Les Dungan, III, Director



Jeff J. Dungan, Director



J. Lee Mock, Director



Brooks R. Wallace, Director

EXHIBIT 2

Scope of Work

Insert the Scope of Work here

{NOTE: SCOPES OF WORK MUST BE DETAILED – INCLUDE TERMINI}

{ATTACH THE PROGRESS SCHEDULE AT THE BACK OF THIS EXHIBIT – SEE ARTICLE IV}

SCOPE OF WORK

The scope of this project is to provide the LPA with final contract plans sufficient to enhance the historic district of the City of Picayune. More specifically, to enhance street lighting along Goodyear Boulevard and West Canal from Quince Street to Main Street and also along East Canal Street from South Haugh Avenue to Highway 11. In addition, signage, trash receptacles and benches will be added to the surrounding area in the above referenced project area. The work would include installation of conduits, conductors, street light, signs, trash receptacles, and benches within the project area.

Dungan Engineering, P.A. will serve as the design consultant (CONSULTANT) and will be responsible for developing the final contract plans.

When in conflict between this CONTRACT and the Local Public Agency (LPA) Project Development Manual for Local Public Agencies (PDM), the PDM will govern.

PRELIMINARY PLANS

The CONSULTANT shall prepare and submit preliminary plans for the project to include:

- Title Sheet(s)
- Typical sections (if any)
- Site plan

Two (2) sets of PRELIMINARY plans shall be submitted to the LPA for review and approval. Allow approximately three (3) weeks for review by the LPA. Plans shall be submitted in the following two formats:

- a) Black & White PDF images (22"x34", 400-600DPI) on CD/DVD or other approved media as described in Roadway Design Division's CADD Manual.
- b) Printed 1/2 Scale Plan Sheets.

FIELD REVIEW

A field review will be conducted upon submittal of Preliminary Plans. The Field Inspection will include representatives from the CONSULTANT and the LPA and MDOT staff as available.

After the field review is conducted, the CONSULTANT shall commence with development of final construction plans.

FINAL CONTRACT PLANS

Subsequent to the field review, the CONSULTANT shall make all necessary changes which arise during the inspection and commence with the development of final construction plans including final quantities and construction cost estimates. These estimates shall be based on historical cost data from similar MDOT projects.

j2c

REGULAR MEETING MARCH 19, 2013

Final contract plans will include:

- Title sheet
- Index and general notes
- Typical sections
- Site plan sheet
- Quantities
- Special design sheets (if any)
- Traffic control plan
- And all notes and data used to develop the plans.

DRAFT Final Contract plans will be submitted to the LPA for review upon completion of the plans.

Two (2) sets of Final Plans shall be submitted in the following two formats:

- c) Black & White PDF images (22"x34", 400-600DPI) on CD/DVD or other approved media as described in Roadway Design Division's CADD Manual.
- d) Printed 1/2 Scale Plan Sheets.

FINAL CONTRACT PLANS shall be submitted as original drawings. All related electronic files shall be submitted with original drawings on CD/DVD with a project description (including Project Number, Route, and County) and the words "Final Plans," and the date written on the exterior of the disk. In lieu of CD/DVD, the CONSULTANT may transmit the files by FTP or e-mail. The electronic CADD files may be in a compressed (zipped) format.

ENGINEERING FEES

The CONSULTANT shall be paid lump sum based on the reaching the following milestones as approved through MDOT:

- Milestone #1 – MDOT approval of Field Review of Preliminary Plans and Specifications
 - Completed 50% of Construction Plans and Specifications
- Milestone #2 – MDOT approval of Office Review of Preliminary Plans and Specifications
 - Completed 90% of Construction Plans and Specifications
- Milestone #3 – MDOT approval of PS&E Assembly of Final Plans and Specifications
 - Completed 100% of Construction Plans and Specifications
 - Plans are advertised

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EXHIBIT 3

The LPA shall pay the CONSULTANT on a lump sum / firm-fixed-price basis of \$15,991.20 for the satisfactory completion of the Scope of Work set forth under "Exhibit 2", hereto, for all salaries, payroll additives, overhead, direct costs, profit and any other costs attributable to this CONTRACT.

A lump sum / firm-fixed-price contract provides for a price that is not subject to any adjustment on the basis of the CONSULTANT'S cost experience in performing the assignment.

The monthly billing shall be based on the completion of each milestone relative to its payment, as provided on "Table 1: Billing Milestones" of this Exhibit, as approved by the LPA for this CONTRACT.

Once the LPA has approved and accepted the work of the CONSULTANT, the LPA will pay the CONSULTANT any unpaid amounts of the CONTRACT.

Table 1: Billing Milestones

Milestone number	Milestone	Payment
#1	Field Review	\$5,494.91
#2	Office Review	\$5,413.66
#3	PS&E Assembly	\$5,082.62

All overhead rates submitted to MDOT for approval shall comply with the AASHTO Audit Guide, 2010, as amended. In addition, the CONSULTANT shall submit written certification in accordance with FHWA Order 4470.1A, as amended, that the indirect cost rate submitted does not include any costs which are expressly unallowable and the indirect cost rate was established only with allowable costs in accordance with the applicable cost principles contained in the Federal Acquisition Regulations (FAR) of 48 CFR part 31.

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EXHIBIT 4
 SAMPLE INVOICE
 [Lump Sum]

MISSISSIPPI DEPARTMENT OF TRANSPORTATION
 P. O. BOX 1850
 JACKSON, MS 39215-1850

DATE:

ATTENTION: _____

INVOICE NO. 0000
 PERIOD _____, 20__ THROUGH _____, 20__
 PROFESSIONAL SERVICES IN ACCORDANCE WITH
 CONTRACT DATED _____, 20__,
 PROJECT NUMBER _____
 PROJECT DESCRIPTION _____

	CURRENT PERIOD	PREVIOUS ESTIMATE	TOTAL ALLOWED TO DATE
Contract Max \$ _____			
Milestone number 1	\$	\$	\$
Milestone number 2	\$	\$	\$
Milestone number 3	\$	\$	\$
Milestone number 4	\$	\$	\$
Milestone number 5	\$	\$	\$

Milestone #1

City of Picayune / Dungan Engineering, P.A. STP-0400-00(028)LPA/106442-701000 Goodyear Blvd and West Canal Street From Main Street and Quince Street			
Classification	Hours	Rate of Pay	Extension
Principle			\$0.00
Project Manager	10	\$40.00	\$400.00
Engineer	30	\$25.00	\$750.00
CADD			\$0.00
Clerical			\$0.00
Engineer Tech I	5	\$22.00	\$110.00
Secretary	3	\$16.50	\$49.50
Labor Classification			\$0.00
Raw Labor			\$1,309.50
Overhead Rate	180.8%		\$2,367.58
<small>(Enter appropriate overhead rate (home or field) - FCCM in cell C20)</small>			
Total Labor + O/H			\$3,677.08
Fixed Fee	12%		\$441.25
<small>(Enter FF % in cell C25)</small>			
FCCM Overhead	2.03%		\$26.58
<small>(Enter FCCM in C28)</small>			
Direct Costs:	Qty.	Unit Price ¹	
Mileage			\$0.00
Meals			\$0.00
Lodging			\$0.00
Postage			\$0.00
Supplies			\$0.00
Reproductions			\$0.00
Other			\$0.00
Total Direct Cost			\$0.00
Subconsultant Cost²:			
Daughtry Engineering Services, LLC			\$1,350.00
			\$0.00
Total Subconsultant Cost			\$1,350.00
Project Total			\$5,494.91

¹ See State Travel Handbook

² All subs must provide back-up and contain MDOT approved overhead rates

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Milestone #1

City of Picayune / Dungan Engineering, P.A. STP-0400-00(028)LPA/106442-701000 Goodyear Blvd and West Canal Street From Main Street and Quince Street			
Classification	Hours	Rate of Pay	Extension
Principle			\$0.00
Project Manager			\$0.00
Engineer	30	\$45.00	\$1,350.00
CADD			\$0.00
Clerical			\$0.00
Labor Classification			\$0.00
Raw Labor			\$1,350.00
Overhead Rate		%	\$0.00
<small>(Enter appropriate overhead rate (home or field) - FCCM in cell C20)</small>			
Total Labor + O/H			\$1,350.00
Fixed Fee		%	\$0.00
<small>(Enter FF % in cell C25)</small>			
FCCM Overhead		%	\$0.00
<small>(Enter FCCM in C28)</small>			
Direct Costs:	Qty.	Unit Price ¹	
Mileage			\$0.00
Meals			\$0.00
Lodging			\$0.00
Postage			\$0.00
Supplies			\$0.00
Reproductions			\$0.00
Other			\$0.00
Total Direct Cost			\$0.00
Subconsultant (to the Subconsultant) Cost ²:			
Daughtry Engineering Services, LLC			
Total Subconsultant Cost			\$0.00
Subconsultant Total			\$1,350.00

¹ See State Travel Handbook

² All subs must provide back-up and contain MDOT approved overhead rates

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Milestone #2

City of Picayune / Dungan Engineering, P.A. STP-0400-00(028)LPA/106442-701000 Goodyear Blvd and West Canal Street From Main Street and Quince Street			
Classification	Hours	Rate of Pay	Extension
Principle			\$0.00
Project Manager	8	\$40.00	\$320.00
Engineer	35	\$25.00	\$875.00
CADD			\$0.00
Clerical			\$0.00
Engineering Tech I	6	\$22.00	\$132.00
Labor Classification	6	\$16.50	\$99.00
Labor Classification			\$0.00
Raw Labor			\$1,426.00
Overhead Rate	180.8%		\$2,578.21
<small>(Enter appropriate overhead rate (home or field) - FCCM in cell C20)</small>			
Total Labor + O/H			\$4,004.21
Fixed Fee	12%		\$480.50
<small>(Enter FF % in cell C25)</small>			
FCCM Overhead	2.03%		\$28.95
<small>(Enter FCCM in C28)</small>			
Direct Costs:	Qty.	Unit Price ¹	
Mileage			\$0.00
Meals			\$0.00
Lodging			\$0.00
Postage			\$0.00
Supplies			\$0.00
Reproductions			\$0.00
Other			\$0.00
Total Direct Cost			\$0.00
Subconsultant Cost²:			
Daughtry Engineering Services, LLC			\$900.00
			\$0.00
Total Subconsultant Cost			\$900.00
Project Total			\$5,413.66

¹ See State Travel Handbook

² All subs must provide back-up and contain MDOT approved overhead rates

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Milestone #2

City of Picayune / Dungan Engineering, P.A.			
STP-0400-00(028)LPA/106442-701000			
Goodyear Blvd and West Canal Street From Main Street and Quince Street			
Classification	Hours	Rate of Pay	Extension
Principle			\$0.00
Project Manager			\$0.00
Engineer	20	\$45.00	\$900.00
CADD			\$0.00
Clerical			\$0.00
Labor Classification			\$0.00
Raw Labor			\$900.00
Overhead Rate		%	\$0.00
<small>(Enter appropriate overhead rate (home or field) - FCCM in cell C20)</small>			
Total Labor + O/H			\$900.00
Fixed Fee		%	\$0.00
<small>(Enter FF % in cell C25)</small>			
FCCM Overhead		%	\$0.00
<small>(Enter FCCM in C28)</small>			
Direct Costs:	Qty.	Unit Price ¹	
Mileage			\$0.00
Meals			\$0.00
Lodging			\$0.00
Postage			\$0.00
Supplies			\$0.00
Reproductions			\$0.00
Other			\$0.00
Total Direct Cost			\$0.00
Subconsultant (to the Subconsultant) Cost²:			
Daughtry Engineering Services, LLC			
Total Subconsultant Cost			\$0.00
Subconsultant Total			\$900.00

¹ See State Travel Handbook
² All subs must provide back-up and contain MDOF approved overhead rates

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Milestone #3

City of Picayune / Dungan Engineering, P.A. STP-0400-00(028)LPA/106442-701000 Goodyear Blvd and West Canal Street From Main Street and Quince Street			
Classification	Hours	Rate of Pay	Extension
Principle			\$0.00
Project Manager	5	\$40.00	\$200.00
Engineer	40	\$25.00	\$1,000.00
CADD			\$0.00
Clerical			\$0.00
Engineering Tech I	5	\$22.00	\$110.00
Secretary	5	\$16.50	\$82.50
Labor Classification			\$0.00
Raw Labor			\$1,392.50
Overhead Rate	180.8%		\$2,517.64
<small>(Enter appropriate overhead rate (home or field) - FCCM in cell C20)</small>			
Total Labor + O/H			\$3,910.14
Fixed Fee	12%		\$469.22
<small>(Enter FF % in cell C25)</small>			
FCCM Overhead	2.03%		\$28.27
<small>(Enter FCCM in C28)</small>			
Direct Costs:	Qty.	Unit Price ¹	
Mileage			\$0.00
Meals			\$0.00
Lodging			\$0.00
Postage			\$0.00
Supplies			\$0.00
Reproductions			\$0.00
Other			\$0.00
Total Direct Cost			\$0.00
Subconsultant Cost²:			
Daughtry Engineering Services, LLC			\$675.00
			\$0.00
Total Subconsultant Cost			\$675.00
Project Total			\$5,082.62

¹ See State Travel Handbook

² All subs must provide back-up and contain MIDOT approved overhead rates

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Milestone #3

City of Picayune / Dungan Engineering, P.A. STP-0400-00(028)LPA/106442-701000 Goodyear Blvd and West Canal Street From Main Street and Quince Street			
Classification	Hours	Rate of Pay	Extension
Principle			\$0.00
Project Manager			\$0.00
Engineer	15	\$45.00	\$675.00
CADD			\$0.00
Clerical			\$0.00
Labor Classification			\$0.00
Raw Labor			\$675.00
Overhead Rate		%	\$0.00
<small>(Enter appropriate overhead rate (home or field) - FCCM in cell C20)</small>			
Total Labor + O/H			\$675.00
Fixed Fee		%	\$0.00
<small>(Enter FF % in cell C25)</small>			
FCCM Overhead		%	\$0.00
<small>(Enter FCCM in C28)</small>			
Direct Costs:	Qty.	Unit Price ¹	
Mileage			\$0.00
Meals			\$0.00
Lodging			\$0.00
Postage			\$0.00
Supplies			\$0.00
Reproductions			\$0.00
Other			\$0.00
Total Direct Cost			\$0.00
Subconsultant (to the Subconsultant) Cost²:			
Daughtry Engineeing Services, LLC			
Total Subconsultant Cost			\$0.00
Subconsultant Total			\$675.00

¹ See State Travel Handbook

² All subs must provide back-up and contain MDOT approved overhead rates

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EXHIBIT 5

**NOTICE TO CONTRACTORS, FEDERAL-AID CONTRACT
COMPLIANCE WITH TITLE VI OF THE CIVIL RIGHTS ACT OF 1964
COPELAND ANTI-KICKBACK ACT, DAVIS BACON ACT
CONTRACT WORK HOURS AND SAFETY STANDARDS ACT
CLEAN AIR ACT, ENERGY POLICY AND CONSERVATION ACT
DISADVANTAGED BUSINESS ENTERPRISES, WORKER VISIBILITY**

During the performance of this CONTRACT, the CONSULTANT, for itself, its assignees and successor-in-interest (hereinafter referred to as the "CONSULTANT") agrees as follows:

1. Compliance with Regulations: The CONSULTANT will comply with the Regulations of the Department of Transportation relative to nondiscrimination in Federally-assisted programs of the Department of Transportation (Title 49, Code of Federal Regulations, Part 21, hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this CONTRACT.

2. Nondiscrimination: The CONSULTANT, with regard to the work performed by it after award and prior to completion of the contract work, will not discriminate on the grounds of race, religion, color, sex, national origin, age or disability in the selection and retention of subcontractors including procurement of materials and leases of equipment. The CONSULTANT will not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the CONTRACT covers a program set forth in Appendix B of the Regulations. In addition, the CONSULTANT will not participate either directly or indirectly in discrimination prohibited by 23 C.F.R. 710.405(b).

3. Solicitations for Subcontracts, Including Procurement of Materials and Equipment: In all Solicitations, either by competitive bidding or negotiation made by the CONSULTANT for work to be performed under a subcontract, including procurement of materials or equipment, each potential subcontractor or supplier shall be notified by the CONSULTANT of the CONSULTANT's obligations under this CONTRACT and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, national origin, age or disability.

4. Anti-kickback provisions: All contracts and subcontracts for construction or repair shall include a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). This Act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The CONSULTANT shall report all suspected or reported violations to the LPA.

5. Davis Bacon Act: When required by the federal grant program legislation, all construction contracts awarded to contractors and subcontractors in excess of \$2,000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR, Part 5). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less often than once a week.

6. Contract Work Hours and Safety Standards Act: Where applicable, all contracts awarded by or to contractors and subcontractors in excess of \$100,000 which involve the employment of mechanics or laborers shall include a provision for compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor Regulations (29 CFR, Part 5). Under section 103 of the Act, each contractor shall be required to compute the wages of every mechanic and

laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than 1 1/2 times the basic rate of pay for all hours worked in excess of 40 hours in the work week. Section 107 of the Act is applicable to construction work and provides that no laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction, safety, and health standards promulgated by the Secretary of Labor. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

7. Clean Air Act: Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), Section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR Part 15) (Contracts and subcontracts in amounts in excess of \$100,000).

8. Energy Policy and Conservation Act: Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163).

9. Disadvantaged Business Enterprises: It is the policy of the Mississippi Department of Transportation to comply with the requirements of 49 C.F.R. 26, to prohibit unlawful discrimination, to meet its goal for DBE participation, to meet that goal whenever possible by race-neutral means, to create a level playing field, and to achieve that amount of DBE participation that would be obtained in a non-discriminatory market place. To meet that objective in any United States Department of Transportation assisted contracts, the LPA and the CONSULTANT shall comply with the "Mississippi Department of Transportation's Disadvantaged Business Enterprise Programs For United States Department Of Transportation Assisted Contracts".

Neither the CONSULTANT (Contractor), nor any sub-recipient or sub-contractor shall discriminate on the bases of race, color, national origin, or sex in the performance of this contract. The CONSULTANT (Contractor) shall carry out applicable requirements of 49 C.F.R. 26 in the award and administration of United States Department of Transportation assisted contracts. Failure of the CONSULTANT (Contractor) to carry out those requirements is a material breach of the contract which may result in the termination of this contract or such other remedies as the Mississippi Department of Transportation deems appropriate.

10. Worker Visibility: All workers within the right-of-way of a Federal-aid highway who are exposed either to traffic (vehicles using the highway for the purposes of travel) or to construction equipment within the work area shall wear high-visibility safety apparel – personal protective safety clothing that is intended to provide conspicuity during both daytime and nighttime usage, and that meets the Performance Class 2 or 3 requirements of the ANSI/ISEA 107-2004 publication entitled "American National Standard for High-Visibility Safety Apparel and Headwear" – for compliance with 23 CFR, Part 634.

EXHIBIT 6

**CERTIFICATION REGARDING DEBARMENT,
SUSPENSION AND OTHER RESPONSIBILITY MATTERS**

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS - Certification in accordance with Section 29.510 Appendix A, C.F.R./Vol. 53, No. 102, page 19210 and 19211:

- (1) The CONSULTANT certifies to the best of its knowledge and belief that it and its principals:
 - (a) are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - (b) have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state or local) transaction or contract under a public transaction, violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses enumerated in paragraph (l)(b) of this certification; and
 - (d) have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state or local) terminated for cause or default;
 - (e) has not either directly or indirectly entered into any agreement participated in any collusion; or otherwise taken any action in restraint of free competitive negotiation in connection with this CONTRACT.
- (2) The CONSULTANT further certifies, to the best of his/her knowledge and belief, that:
 - (f) No federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a member of Congress, an officer or employee of Congress, or employee of a member of Congress in connection with the awarding of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
 - (g) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of Congress, or any employee of a member of Congress in connection with this CONTRACT, Standard Form-LLL, "Disclosure Form to Report Lobbying", in accordance with its instructions will be completed and submitted.

The certification contained in (1) and (2) above is a material representation of fact upon which reliance is placed and a pre-requisite imposed by Section 1352, Title 31, U. S. Code prior to entering into this CONTRACT. Failure to comply shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000. The CONSULTANT shall include the language of the certification in all subcontracts exceeding \$100,000 and all sub-contractors shall certify and disclose accordingly.

REGULAR MEETING MARCH 19, 2013

I hereby certify that I am the duly authorized representative of the CONSULTANT for purposes of making this certification, and that neither I, nor any principal, officer, shareholder or employee of the above firm has:

(a) employed or retained for commission, percentages, brokerage, contingent fee, or other consideration, any firm or person (other than a bona fide employee working solely for me or the above consultant) to solicit or secure this agreement,

(b) agreed, as an express or implied condition for obtaining this CONTRACT, to employ or retain the services of any firm or person in connection with carrying out the agreement, or

(c) paid, or agreed to pay, to any firm, organization or person (other than a bona fide employee working solely for me or the above consultant) any fee, contribution, donation, or consideration of any kind for, or in connection with, procuring or carrying out the agreement; except as herein expressly stated (if any).

I acknowledge that this Agreement may be furnished to the Federal Highway Administration, United States Department of Transportation, in connection with the Agreement involving participation of Federal-Aid Highway funds, and is subject to applicable state and federal laws, both criminal and civil.

SO CERTIFIED this ____ day of _____, 20____.

CONSULTANT

BY: _____

ATTEST: _____

My Commission Expires:

Notary

EXHIBIT 7

CERTIFICATION OF THE LPA

I hereby certify that I am the Chief Administrative Official, duly authorized by the LPA to execute this certification and that the above consulting firm or its representative has not been required, directly or indirectly, as an express or implied condition in connection with obtaining or carrying out this agreement to:

- (a) employ or retain, or agree to employ or retain, firm or person, or
- (b) pay, or agree to pay, to any firm, person organization, any fee, contribution, donation, or consideration of any kind except as here expressly stated (if any).

SO CERTIFIED on the _____ day of _____, 200__.

LPA _____

*Chief Administrative Official
Ed Pinero, Jr., Ph.D, Mayor*

EXHIBIT 8

{Intentionally Left Blank}

EXHIBIT 9

PRIME CONSULTANT / CONTRACTOR EEV CERTIFICATION AND AGREEMENT

By executing this Certification and Agreement, the undersigned verifies its compliance with the, "Mississippi Employment Protection Act," Section 71-11-3 of the Mississippi Code of 1972, as amended, and any rules or regulations promulgated by the LPA, Mississippi Transportation Commission [MTC], Department of Employment Security, State Tax Commission, Secretary of State, Department of Human Services in accordance with the Mississippi Administrative Procedures Law (Section 25-43-1 et seq., Mississippi Code of 1972, as amended), stating affirmatively that the individual, firm, or corporation which is contracting with the LPA has registered with and is participating in a federal work authorization program* operated by the United States Department of Homeland Security to electronically verify information of newly hired employees pursuant to the Immigration Reform and Control Act of 1986, Pub.L. 99-603, 100 Stat 3359, as amended. The undersigned agrees to inform the LPA if the undersigned is no longer registered or participating in the program.

The undersigned agrees that, should it employ or contract with any entity(s) in connection with the performance of this CONTRACT, the undersigned will secure from such entity(s) verification of compliance with the Mississippi Employment Protection Act. The undersigned further agrees to maintain records of such compliance and provide a copy of each such verification to the LPA, if requested, for the benefit of the LPA or this CONTRACT.

134671
EEV* Company Identification Number [Required]

The undersigned certifies that the above information is complete, true and correct to the best of my knowledge and belief. The undersigned acknowledges that any violation may be subject to the cancellation of the contract, ineligibility for any state or public contract for up to three (3) years, the loss of any license, permit, certificate or other document granted by any agency, department or government entity for the right to do business in Mississippi for up to one (1) year, or both, any and all additional costs incurred because of the contract cancellation or the loss of any license or permit, and may be subject to additional felony prosecution for knowingly or recklessly accepting employment for compensation from an unauthorized alien as defined by 8 U.S.C §1324a(h)(3), said action punishable by imprisonment for not less than one (1) year nor more than five (5) years, a fine of not less than One Thousand Dollars (\$1,000.00) nor more than Ten Thousand Dollars (\$10,000.00), or both, in addition to such prosecution and penalties as provided by Federal law.

BY: _____ Date _____
Authorized Officer or Agent

Brooks Wallace Vice President
Printed Name of Authorized Officer or Agent Title of Authorized Officer or Agent of Contractor / Consultant

SWORN TO AND SUBSCRIBED before me on this the ____ day of _____, 20____.

NOTARY PUBLIC
My Commission Expires: _____

* As of the effective date of the Mississippi Employment Protection Act, the applicable federal work authorization program is E-Verify™ operated by the U. S. Citizenship and Immigration Services of the U.S. Department of Homeland Security, in conjunction with the Social Security Administration.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE MAYOR TO SIGN A MEMORANDUM OF UNDERSTANDING WITH THE PEARL RIVER COUNTY SHERIFF'S DEPARTMENT

Motion was made by Council Member Breland, seconded by Council Member Watkins to authorize Mayor to sign a memorandum of understanding with the Pearl River County Sheriff's Department to hold City prisoners in the event of an emergency.



DAVID ALLISON
SHERIFF
PEARL RIVER COUNTY
200 South Main Street
Poplarville, Mississippi 39470
"Committed to Protect and Serve"

DISPATCH
(601)795-2241
(601) 798-5528

OFFICE/COURTHOUSE
POPLARVILLE (601) 403-2300
PICAYUNE (601) 749-7700
FAX (601) 403-2344

MEMORANDUM OF UNDERSTANDING

Be it understood that the City of Picayune Jail enters into agreement with Pearl River County Jail for the purpose of housing City Jail Inmates in the event of an emergency situation in the Picayune City jail that requires the evacuation of said City Jail. This Understanding is to allow for securing of city inmates into the Pearl River County Jail due to any emergency that would necessitate the evacuation of the Picayune City Jail. After twenty-four (24) hours, the rate per day, per inmate will be assessed at twenty dollars (\$20.00) per day.

Agreed this the 11 day of March, 2013

Chief of Police, Picayune, MS

Mayor, City of Picayune, MS

David Allison
Sheriff, Pearl River County, MS

Ed Pinero
Warden, Pearl River County Jail

Original

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"In God We Trust"

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE POLICE DEPARTMENT TO PURCHASE A 2013 DODGE RAM 1500 CREW CAB TRUCK AT STATE CONTRACT PRICE FROM SPECIAL POLICE DRUG FUND

Motion was made by Council Member Breland, seconded by Council Member Watkins to authorize Police Department to purchase a 2013 Dodge Ram 1500 Crew Cab truck at the state contract price of \$18,899.00. This will be purchased from the Special Police Drug Fund at no cost to City or taxpayers.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

AUTHORIZE POLICE DEPARTMENT TO ENTER INTO A FOUR YEAR LEASE/PURCHASE AGREEMENT HANCOCK BANK GOVERNMENTAL LEASING

Motion was made by Council Member Breland, seconded by Council Member Watkins to authorize Police Department to enter into a four-year lease/purchase agreement with lowest quote from Hancock Bank Governmental Leasing to finance three fully equipped Police vehicles for a total cost of \$106,000 and allow Mayor to sign said agreement. This will be paid for through the Special Police Drug Fund at no cost to the City or taxpayers.

HANCOCK BANK
Lease Purchase Closing Memorandum

Transaction Profile

Date of Funding:	TBD
Government Name:	City of Picayune, Mississippi
Type of Governing Body:	Mayor and City Council
Amount, Rate & Term of Lease:	\$106,000.00 / 1.73% / 4 Annual Payments in arrears
Annual Payment Amount:	\$27,655.95
Equipment Description:	Two (2) New Tahoes and One (1) New Charger for Police Department

Schedule & Description of Closing Documents

Step # and Document Description:

1. **Authorizing Resolution** – This document authorizes the lease purchase financing by the governing body and gives the appropriate officials the authority to enter into such contract. The Resolution must be passed by the City Council and executed (signed) by the Mayor and City Clerk before any other document is executed. The original, signed copy needs to be sent back to Hancock Bank in the Federal Express envelope provided within.
2. **Governmental Lease Purchase Agreement** – This document is the contract between the lessor and the lessee (City of Picayune) which is the basis of the transaction. This Agreement must be signed and dated on or after the Resolution is passed and before or at the funding of the lease (not after!). The original, signed copy needs to be sent back to Hancock Bank in the Federal Express envelope provided within.
3. **Attachments to the Lease Agreement** – These various documents support and perfect the Lease Agreement as well as the interests of the parties to the transaction. These documents should be signed and executed by the appropriate officials and dated with the same date as that of the Lease Agreement. The original, signed copies need to be sent back to Hancock Bank in the Federal Express envelope provided within.

Important Notes Regarding Attachments:

- IRS Form 8038G – Hancock Bank will file this form with the Internal Revenue Service, as required by law, on behalf of the City. Please have it signed by the appropriate official and return it to Hancock Bank along with the rest of the documents.
 - Purchase Orders and Invoices – Hancock Bank must have all Purchase Orders and Invoices (copies are sufficient) issued to or received from the equipment vendor.
 - Evidence of Insurance – Hancock Bank must be shown as additional insured and loss payee on the equipment's insurance policy. Please provide an insurance certificate or some other form of evidence of insurance.
4. **Legal Opinion of Lessee's Counsel** – This opinion must be printed on the City Attorney's letterhead and dated on or after the date of the Lease Agreement (not before!). The original, signed copy needs to be sent back to Hancock Bank in the Federal Express Envelope provided within.

*****Please Note: There is no need to make copies of the documents. Hancock Bank will provide a package containing copies of all transaction documents soon after closing.**

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AUTHORIZING RESOLUTION

COUNCIL MEMBER _____ moved the adoption of the following Resolution and Order:

A RESOLUTION OF THE CITY COUNCIL, THE GOVERNING BODY ("THE BOARD") OF THE CITY OF PICAYUNE, MISSISSIPPI (THE "LESSEE"), FINDING IT NECESSARY TO ACQUIRE EQUIPMENT FOR GOVERNMENTAL OR PROPRIETARY PURPOSES AUTHORIZED BY LAW: FINDING THAT IT WOULD BE IN THE PUBLIC INTEREST TO ACQUIRE SUCH EQUIPMENT UNDER THE TERMS OF A LEASE PURCHASE AGREEMENT: FINDING THAT THE HANCOCK BANK, GULFPORT, MISSISSIPPI, (THE "LESSOR") HAS OFFERED TO ACQUIRE SUCH EQUIPMENT, OR TO ACQUIRE FROM AND REIMBURSE THE LESSEE FOR THE COST OF SUCH EQUIPMENT IN THE EVENT THE EQUIPMENT HAS ALREADY BEEN PURCHASED BY THE LESSEE, AND TO LEASE SUCH EQUIPMENT TO LESSEE: FINDING THAT SUCH PROPOSAL IS IN THE INTEREST OF THE LESSEE AND AUTHORIZING AND DIRECTING THE AUTHORIZED OFFICERS (AS HEREINAFTER DEFINED) TO EXECUTE A LEASE PURCHASE AGREEMENT AND SUPPORTING SCHEDULES AND ATTACHMENTS INCLUDING, BUT NOT LIMITED TO, ASSIGNMENTS OF TITLE TO THE EQUIPMENT TO HANCOCK BANK TO THE END THAT THE EQUIPMENT SHALL BE ACQUIRED BY SUCH BANK AND LEASED TO THE LESSEE ON THE TERMS AND CONDITIONS EXPRESSED IN SUCH LEASE.

WHEREAS, the Board has determined that it is necessary to acquire certain items of Equipment (the "Equipment") for use by the Lessee for purposes authorized by law and

WHEREAS, the Board had by these presents determined that it would be in the public interest to acquire such Equipment through a Lease Purchase Agreement as provided under Section 31-7-13 (c) MISS.CODE ANN. (1972), as amended, and

WHEREAS, the Board anticipates that it will not issue more than \$10,000,000.00 of qualified tax-exempt obligations during calendar year 2013 and desires to designate the Lease Purchase Agreement as a qualified tax-exempt obligation of the Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, ("the Code").

WHEREAS, to the best knowledge and belief of the Board, this lease qualifies as a qualified project bond within the meaning of the Tax Reform Act of 1986; and

WHEREAS, the Hancock Bank of Gulfport, Mississippi, has proposed to acquire the Equipment at the offered price and to lease the Equipment to the Lessee at a rate of 1.73% per annum.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1: The Mayor and City Clerk (hereinafter the "Authorized Officers") are hereby authorized and directed to execute a Lease Purchase Agreement (also referred to as a "Governmental Lease Purchase Agreement"), either reference being the "Agreement", and all attachments thereto. Such Agreement shall be in substantially the form attached hereto with such appropriate variations, omissions and insertions as are permitted or required by this Resolution and as are consented to by the Lessee's representatives (the "Authorized Officers") executing the Agreement, such consent being evidenced by their signatures.

SECTION 2: The Equipment to be leased pursuant to the Agreement shall be more fully described in a schedule to the Agreement titled "Exhibit D - Description of the Equipment". Upon delivery and acceptance by the Lessee of the Equipment, the Authorized Officers are authorized and directed to execute a Certificate of Acceptance of such Equipment and, as provided in Section 4.01 of such Lease, the lease term shall commence on the date of acceptance.

SECTION 3: The Authorized Officers are further authorized and directed to execute on behalf of the Lessee a Financing Statement and all other documents as provided for under Section 7.02 of such Lease to establish and maintain the security interest of Hancock Bank in such Equipment.

SECTION 4: The Board hereby designates the Lease Purchase Agreement as a qualified tax-exempt obligation for purposes of Section 265(b)(3) of the Code.

SECTION 5: The Lessee and the Board understand Section 8.03 of the Agreement ("Provisions Regarding Insurance") and agree to provide property damage and liability insurance in accordance with the terms of the Agreement.

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COUNCIL MEMBER _____ seconded the motion and after a full discussion, the same was put to vote with the following results:

_____	Voted: _____

The motion, having received an affirmative vote, was carried and the resolution adopted, this the ____ day of _____ 2013.

By: _____

Dr. Ed Pinero

Mayor

{Seal}

Attest: _____

Ms. Amber Hinton

City Clerk

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3/12/2013

Sent via: ricky103@picayune.ms.us

City of Picayune
815 North Beech Street
Picayune, MS 39466

It is a pleasure to submit for your consideration the following proposal to provide lease-purchase financing based on the terms and conditions set forth below:

1. Lessor: BancorpSouth Equipment Finance, a division of BancorpSouth Bank
2. Lessee: City of Picayune
3. Equipment Description: Police vehicles
4. Equipment Cost: \$106,000.00
5. Lease Term: 2, 3 or 4 Years
6. Lease Payments: (These are approximate payment amounts. The actual payment will be determined at funding date.)
2 Annual payments of \$54,642.61
3 Annual payments of \$36,798.37
4 Annual payments of \$27,912.56
Payments in arrears
7. Lease Rate: 24, 36 – 2.04%, 48 – 2.09%
8. Funding Date: This proposal is contingent upon the equipment being delivered and the lease funded prior to 4/30/13. If the equipment is not delivered and the lease funded prior to 4/30/13, this proposal is null and void. Any extension of the funding date must be in writing.
9. Purchase Option: Title is passed to Lessee at lease expiration for no further consideration.

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10. Non-appropriation/Termination: The lease provides that Lessee is to make reasonable efforts to obtain funds to satisfy the obligation in each fiscal year. However, the lease may be terminated without penalty in the event of non-appropriation. In such event, the Lessee agrees to provide an attorney's opinion confirming the events of non-appropriation and Lessee's exercise of diligence to obtain funds.

11. Bank Qualification: This lease-purchase financing shall be designated as a bank qualified tax-exempt transaction as per the 1986 Federal Tax Bill. **This means that the Lessee's governing body will pass a resolution stating that it does not anticipate issuing more than \$10 million in General Obligation debt or other debt falling under the Tax Bill's definition of qualifying debt during the calendar year that the lease is funded.**

12. Tax Status: This proposal is subject to the Lessee being qualified as a governmental entity or "political subdivision" within the meaning of Section 103(a) of the Internal Revenue Code of 1954 as amended, within the meaning of said Section. Lessee agrees to cooperate with Lessor in providing evidence as deemed necessary or desirable by Lessor to substantiate such tax status.

13. Net Lease: This will be a net lease transaction whereby maintenance, insurance, taxes (if applicable), compliance with laws and similar expenses shall be borne by Lessee.

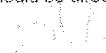
14. Financial Statements: Complete and current financial statements must be submitted to Lessor for review and approval of Lessee creditworthiness.

15. Lease Documentation: This equipment lease-purchase package is subject to the mutual acceptance of lease-purchase documentation within a reasonable time period, otherwise payments will be subject to market change.

If the foregoing is acceptable, please so indicate by signing this letter in the space provided below and returning it to BancorpSouth Equipment Finance. **The proposal is subject to approval by BancorpSouth Equipment Finance's Credit Committee and to mutually acceptable terms, conditions and documentation.**

This proposal expires as of the close of business on 4/30/13. Extensions must be approved by the undersigned.

Any concerns or questions should be directed to Bob Lee at 1-800-222-1610.


Bob Lee
Municipal Finance Manager

ACKNOWLEDGMENT AND ACCEPTANCE

By _____
Title

Date: _____

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The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouquet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

MOTION TO ADJOURN

Motion was made by Council Member Breland, seconded by Council Member Lane to adjourn until Tuesday, April 2, 2013 at 5:00 pm.

The following roll call was made:

VOTING YEA: Mayor Ed Pinero, Council Members Watkins, Bumpers, Lane, Breland and Gouguet

VOTING NAY: None

ABSENT AND NOT VOTING: None

ABSTAINING AND NOT VOTING: None

The motion was declared carried.

Ed Pinero, Mayor

ATTEST:

Amber Hinton, City Clerk