

**Special Call Meeting  
August 1, 2012**

A Special Call Meeting of the Mayor and Board of Aldermen of the City of Natchez, Mississippi, was held in the City Hall Conference Room at 5:00 p.m. on Wednesday, August 1, 2012. Mayor Larry L. "Butch" Brown presided at the meeting.

MAYOR & BOARD PRESENT	ELECTED OFFICIALS ABSENT	CITY OFFICIALS & DEPARTMENT HEADS
Larry L. "Butch" Brown Mayor	Joyce Arceneaux-Mathis Alderman, Ward 1	Donnie Holloway, City Clerk Walter Brown, Acting City Attorney Temple Hendricks, Board Secretary
Sarah Carter Smith Alderman, Ward 3	James "Rickey" Gray Alderman, Ward 2	Others: Natchez Democrat
Ernest "Tony" Fields Alderman, Ward 4		
Mark Fortenbery Alderman, Ward 5		
Daniel Dillard Alderman, Ward 6		

City Clerk, Donnie Holloway, presented the Notice of Special Call Meeting of August 1<sup>st</sup> which is attached and admitted as part of the minutes.

Mayor Brown advised that the purpose of the Special Call Meeting was to consider the issuance of a mini-bond in the amount of \$763,000.00 which was inclusive of all fees associated with the transaction which was to secure funds for the acquisition of real property as known as the old Natchez Pecan Factory.

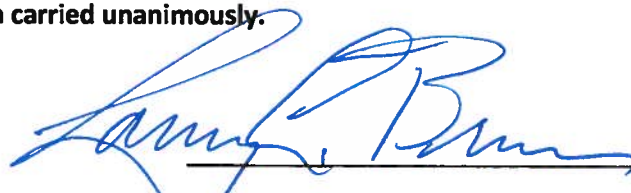
Mayor Brown advised that the City would be able to receive the bids for the project at the August 14<sup>th</sup> regular board meeting.

Attorney Walter Brown, acting on behalf of City Attorney Hyde Carby, advised that the statute provides that the note cannot exceed a 5 year term and payments must be made in equal installments annually.

**A motion was made by Alderman Dillard and seconded by Alderman Fields to adopt a resolution employing Butler Snow as bond counsel. All voted aye except Alderman Fortenbery who voted nay. The motion carried. The resolution is attached hereto.**

**A motion was made by Alderman Dillard and seconded by Alderman Fields to adopt the borrowing resolution and to authorize the Mayor and City Clerk to advertise for bids, receive the same and bring back to the Board for approval at the August 14<sup>th</sup> meeting. All voted aye except Alderman Fortenbery who voted nay. The motion carried. The resolution is attached hereto.**

**Alderman Dillard made a motion to adjourn the Special Call Meeting of August 1, 2012, which was seconded by Alderman Fortenbery. The motion carried unanimously.**

  
\_\_\_\_\_  
Larry L. "Butch" Brown

ATTEST:

  
\_\_\_\_\_  
Donnie Holloway, City Clerk

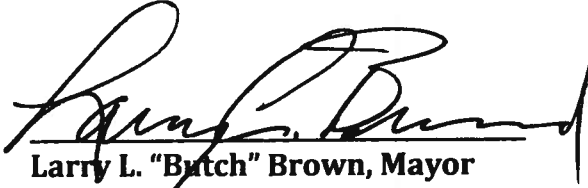
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**NOTICE OF CALL OF SPECIAL MEETING**

A Special Meeting of the Mayor and Board of Aldermen of the City of Natchez will be held on Wednesday, August 1st, at 5:00 p.m. in the City Hall conference room which is located at 124 S. Pearl Street for the following purpose:

**Discuss mini bond**

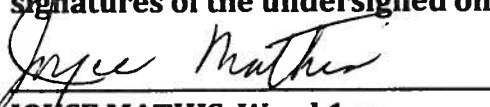
This the 30<sup>th</sup> day of July, 2012.

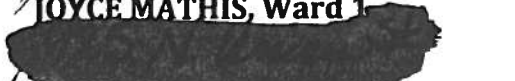
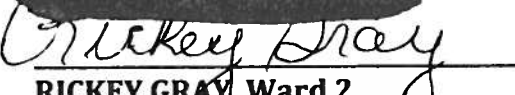
  
Larry L. "Butch" Brown, Mayor

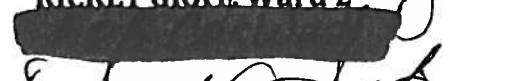


ATTEST:




  
Donnie Holloway, City Clerk

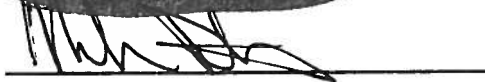
Service of the foregoing notice is acknowledged by the undersigned members of the Board of Aldermen of the City of Natchez as of the hour endorsed opposite the signatures of the undersigned on this the 30<sup>th</sup> day of July, 2012.

  
JOYCE MATHIS, Ward 1 11:14 7/30/12  
TIME AND DATE NOTIFIED

  
  
RICKEY GRAY, Ward 2 11:09 7/30/12  
TIME AND DATE NOTIFIED

  
  
  
1:40 7/30/12  
TIME AND DATE NOTIFIED

  
  
  
11:40 7/31/12  
TIME AND DATE NOTIFIED


  
MARK FORTENBERY, Ward 5 4:30 7/31/12  
TIME AND DATE NOTIFIED

  
DAN DILLARD, Ward 6 11:01am 7/30/12  
TIME AND DATE NOTIFIED



The undersigned police officer of the City of Natchez, Mississippi, certifies that he/she served the above and foregoing Notice on those members of the Board of Aldermen of the City of Natchez whose names herein are opposite the signature of each respectively.

This the 30<sup>th</sup> day of July, 2012.

  
Police Officer  
WILLIAM MITCHELL

The Mayor and Board of Alderman of the City of Natchez, Mississippi (the "City"), took up for consideration the matter of employing professionals in connection with the issuance of a Negotiable Note, Series 2012, of said City. After a discussion of the subject, Alderperson Dillard offered and moved the adoption of the following resolution:

**RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF NATCHEZ, MISSISSIPPI (THE "CITY"), AUTHORIZING THE EMPLOYMENT OF PROFESSIONALS IN CONNECTION WITH THE ISSUANCE OF A NEGOTIABLE NOTE, SERIES 2012, OF THE CITY TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME.**

**WHEREAS**, the Mayor and Board of Aldermen of the City of Natchez, Mississippi (the "Governing Body" of the "City"), hereby finds, determines, adjudicates and declares as follows:

1. The Governing Body has determined the necessity to raise money for the purpose of providing funds for purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same (the "Project").
2. It is necessary and in the public interest for the City to issue a Negotiable Note, Series 2012 (the "Note"), to finance the cost of the Project.
3. That in order to prepare the necessary resolutions and documents for the sale and issuance of the Note it is in the best interest of the City to authorize the law firm of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Note Counsel, and Carby & Carby PC, Natchez, Mississippi, as City Counsel, to prepare and distribute such resolutions and documents necessary in order to facilitate the sale and issuance of such Note at a subsequent date subject to the approval of the Governing Body of the City.

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

**SECTION 1.** The Governing Body hereby declares its intention to issue a Negotiable Note, Series 2012 (the "Note"), of the City to raise money for the purpose of providing funds for the Project.

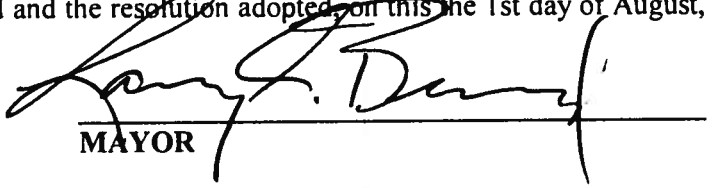
**SECTION 2.** The Governing Body herein employs the law firm of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Note Counsel, and Carby & Carby PC, Natchez, Mississippi, as City Counsel, in connection with the sale and issuance of the Note, and authorizes them to prepare the necessary resolutions and offering documents for the subsequent sale and issuance of the Note subject to the approval of the Governing Body of the City.

Alderperson Fields seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

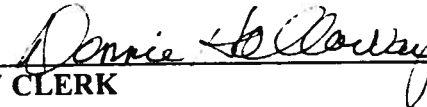
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Alderman Joyce Arceneaux-Mathis	Voted: <u>Absent</u>
Alderman James "Ricky" Gray	Voted: <u>Absent</u>
Alderman Sarah Smith	Voted: <u>Aye</u>
Alderman Ernest "Tony" Fields	Voted: <u>Aye</u>
Alderman Mark Fortenbery	Voted: <u>Nay</u>
Alderman Daniel Dillard	Voted: <u>Aye</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 on this the 1st day of August, 2012.

  
MAYOR

ATTEST:

  
CITY CLERK

(SEAL)

ButlerSnow 9428436v3

The Mayor and Board of Aldermen of the City of Natchez, Mississippi (the "City"), acting for and on the City, took up for consideration the matter of issuing a Negotiable Note, Series 2012, of said City. After a discussion of the subject, Alderperson Dillard offered and moved the adoption of the following resolution:

**RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF NATCHEZ, MISSISSIPPI (THE "CITY"), TO ISSUE A NEGOTIABLE NOTE, SERIES 2012, IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVEN HUNDRED SIXTY THREE THOUSAND DOLLARS (\$763,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR PURCHASING BUILDINGS OR LAND THEREFOR, AND FOR REPAIRING, IMPROVING, ADORNING AND EQUIPPING THE SAME; AND DIRECTING PUBLICATION OF NOTICE OF NOTE SALE - \$763,000.**

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

1. The City is authorized by Sections 17-21-51 et seq., Mississippi Code of 1972, as amended (the "Act"), to issue a note hereinafter proposed to be issued for the purposes and the amounts set forth in paragraph 2 of this preamble.
2. It is necessary and in the public interest to issue a Negotiable Note, Series 2012 of the City in the principal amount of not to exceed Seven Hundred Sixty Three Thousand Dollars (\$763,000) (the "Note"), to raise money for the purpose of providing funds for purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same (the "Project").
3. The Note will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City.
4. The Governing Body desires to authorize the sale of the Note at 11:00 o'clock a.m. on August 14, 2012.
5. The City reasonably expects that it will incur expenditures prior to the issuance of the Note, which it intends to reimburse with the proceeds of the Note upon the issuance thereof. This declaration of official intent to reimburse expenditures made prior to the issuance of the Note in anticipation of the issuance of the Note is made pursuant to Department of Treasury Regulations Section 1.150-2 (the reimbursement regulations). The Project for which such expenditures are made is the same as described hereinabove. The maximum principal amount of debt expected to be issued for the Project is the amount hereinabove set forth.

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

**SECTION 1.** The Governing Body hereby declares its intention to issue a Negotiable Note, Series 2012, of the City in the principal amount not to exceed Seven Hundred Sixty Three

Thousand Dollars (\$763,000) pursuant to the Act to raise money for the purpose of providing funds for the Project. The Note will be a general obligation of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City.

**SECTION 2.** (a) The assessed value of taxable property within the City, according to the last completed assessment for taxation, is One Hundred Thirteen Million Seven Hundred Seventy Four Thousand Seven Hundred Thirty Eight Dollars (\$113,774,738); the City has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended, in the amount of Two Million Eight Hundred Forty Five Thousand Dollars (\$2,845,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 21-33-303, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of Two Million Eight Hundred Forty Five Thousand Dollars (\$2,845,000); the issuance of the Note, when added to the outstanding bonded indebtedness of the City, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the City, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the City, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the City, and together with any outstanding debt issued pursuant to the Act will not exceed one percent (1%) of the assessed valuation of the City.

(b) The City has outstanding indebtedness issued under the Act in the amount of Two Hundred Sixty Thousand Dollars (\$260,000).

**SECTION 3.** The Governing Body proposes to direct the issuance of the Note of the City in the amount, for the purposes and secured as aforesaid at a meeting place of the Governing Body at its meeting place in the City Hall in the City of Natchez, Mississippi, at the hour of 11:00 o'clock a.m. on August 14, 2012.

**SECTION 4.** (a) The terms and conditions for the Note and the form of the Note shall be those agreed upon between the City, acting for and on behalf of the City, and the party agreeing to purchase the Note and shall be in conformance with the requirements of the Act and this Note Resolution.

(b) The Note will be subject to redemption prior to its stated date of maturity, in whole, at any time, and in part on any interest payment date, at par, plus accrued interest to the date of redemption.

**SECTION 5.** As required by Section 17-21-53, Mississippi Code of 1972, as amended, the Clerk is hereby authorized and directed to give Notice by publishing an advertisement at least one (1) time in the *Natchez Democrat*, a newspaper published in and of general circulation in the City, the publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of bids. The Notice shall be in substantially the following form:

**NOTICE OF NOTE SALE - \$763,000  
BY THE CITY OF NATCHEZ, MISSISSIPPI**

Sealed proposals will be received by the Mayor and Board of Aldermen of the City of Natchez, Mississippi (the "City"), at the office of the City Clerk of the City of Natchez, Mississippi, in the City Hall of the City of Natchez, Mississippi, until the hour of 10:30 o'clock a.m. on August 14, 2012. Said bids will be publicly opened, read and considered at the hour of 11:00 o'clock a.m. on August 14, 2012, at the meeting of the Mayor and Board of Aldermen of the City of Natchez, Mississippi, to be held in City Hall of the City of Natchez, Mississippi, for the issuance of a \$763,000 Negotiable Note, Series 2012 (the "Note"), to mature as to principal and interest in five approximate equal installments due annually from the date of issuance thereof, commencing on the first anniversary of the date of the issuance of the Note. The terms and conditions for the Note and the form of the Note shall be those agreed upon between the City and the successful bidder for the Note and shall be in conformance with the Act and the Note Resolution, both as hereinafter defined; however, the rate of interest shall not exceed eleven percent (11%).

The Note will be subject to redemption prior to its stated date of maturity, in whole, at any time, and in part on any interest payment date, at par, plus accrued interest to the date of redemption.

The Note is authorized in accordance with Section 17-21-51 et seq., Mississippi Code of 1972, as amended, and by a Note Resolution adopted by the Mayor and Board of Aldermen of the City on August 1, 2012 (the "Note Resolution") and is being issued for the purpose of providing funds for purchasing buildings or land therefor, and for repairing, improving, adorning and equipping the same.

The Note will be a general obligation of the City payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the City.

The interest on the Note is exempt from Federal income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986. Under existing law, interest on the Note is exempt from present taxes imposed by the State of Mississippi and any county, municipality or other political subdivision of the State of Mississippi.

The City has designated the Note as qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Code.

Proposals should be addressed to the Mayor and Board of Aldermen of the City of Natchez, Mississippi, % Donnie Holloway, City Clerk of the City of Natchez, Mississippi, at his address of City Hall, 124 South Pearl Street, Natchez, Mississippi 39120, and should be plainly marked "Proposals for Negotiable Note, Series 2012", and should be filed with Donnie Holloway, the said City Clerk of the City of Natchez, Mississippi, at his address of City Hall,

032187

124 South Pearl Street, Natchez, Mississippi 39120, on or prior to the date hereinabove fixed and set.

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 Natchez, Mississippi, in the amount of Fifteen Thousand Two Hundred Sixty Dollars (\$15,260) as a guaranty that the bidder will carry out its contract and purchase the Note if its bid be accepted

Information with respect to the indebtedness may be obtained from the Office of the City Clerk of the City of Natchez, Mississippi at the City Hall, 124 South Pearl Street, Natchez, Mississippi 39120.

**AN OFFERING DOCUMENT WILL NOT BE PREPARED IN CONNECTION WITH THE SALE AND ISSUANCE OF THE NOTE.**

The principal amount of the Note is being issued in denomination of \$100,000 or more and is being sold to a single purchaser who will have knowledge and experience in financial and business matters making it capable of evaluating the merits and risks of the prospective investment. The Note shall be sold to a purchaser without a view for distributing said Note. The purchaser of said Note shall be required to execute a certification at closing to the effect that the Note is being purchased for the account of the purchaser without the intent to distribute. Based on the foregoing, the Note will be exempt from the continuing disclosure requirements of SEC Rule 15c2-12.

Published by order of the Mayor and Board of Aldermen of the City of Natchez, Mississippi, on this the 1st day of August, 2012.

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**DCNNIE HOLLOWAY, CITY CLERK  
CITY OF NATCHEZ, MISSISSIPPI**

**PUBLISH: August 3, 2012**



**SECTION 6.** The City hereby covenants that it will not make any use of the proceeds of the Note or do or suffer any other action that would cause: (i) the Note to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Note to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Note to be treated as an item of tax preference under Section 57(a)(5) of the Code.

**SECTION 7.** The City represents as follows:

(a) The City 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) The City shall take no action that would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(c) The City shall take all necessary action to have the Note registered within the meaning of Section 149(a) of the Code; and

(d) The City will not employ any device or abusive transaction with respect to the investment of the proceeds of the Note.

**SECTION 8.** In accordance with Section 148(f)(4)(D) (the "Smaller Issuer Exception" requirements) of the Code, the City represents that: (i) it is a governmental unit of the State of Mississippi and is empowered to exercise general taxing powers; (ii) the Note is not "private activity bonds" as defined in Section 141 of the Code; (iii) ninety-five percent (95%) or more of the net proceeds of the Note are to be used for local governmental activities of the City; and (iv) the aggregate face amount of the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code and certain current refunding bonds described in Section 148(f)(4)(D) of the Code) issued by the City during calendar year 2012 is not expected to exceed \$5,000,000.

**SECTION 9.** In the event that the aggregate principal amount of the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code and certain current refunding bonds described in Section 148(f)(4)(D) of the Code) issued by the City, or on behalf of the City, during calendar year 2012 exceeds \$5,000,000, or if the City otherwise fails to meet the Small Issuer Exception, the City hereby covenants that it shall make, or cause to be made, the rebate payments required by Section 148(f) of the Code in the manner described in Regulation of §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Note.

**SECTION 10.** The City hereby designates the Note 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, 2012 to December 31, 2012 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 Note; and

(b) for purposes of this Section 10, 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 11.** The interest on the Note is exempt from Federal income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986. Under existing law, interest on the Note is exempt from present taxes imposed by the State of Mississippi and any city, municipality or other political subdivision of the State of Mississippi.

**SECTION 12.** The principal amount of the Note is being issued in denomination of \$100,000 or more and is being sold to a single purchaser who will have knowledge and experience in financial and business matters making it capable of evaluating the merits and risks of the prospective investment. The Note shall be sold to a purchaser without a view for distributing said Note. The purchaser of said Note shall be required to execute a certification at closing to the effect that the Note is being purchased for the account of the purchaser without the intent to distribute. Based on the foregoing, the Note will be exempt from the continuing disclosure requirements of SEC Rule 15c2-12.

**SECTION 13.** The City reasonably expects that it will incur expenditures prior to the issuance of the Note, which it intends to reimburse with the proceeds of the Note upon the issuance thereof. This declaration of official intent to reimburse expenditures made prior to the issuance of the Note in anticipation of the issuance of the Note is made pursuant to Department of Treasury Regulations Section 1.150-2 (the reimbursement regulations). The Project for which such expenditures are made is the same as described hereinabove. The maximum principal amount of debt expected to be issued for the Project is the amount hereinabove set forth.

**SECTION 14.** Each of the following constitutes an event of default under this resolution:

(a) failure by the City to pay any installment of principal of or interest on the Note at the time required;

(b) failure by the City to perform or observe any other covenant, agreement or condition on its part contained in this resolution or in the Note, and the continuance thereof for a period of thirty (30) days after written notice thereof to the City by the registered owner of the outstanding Note; or

(c) an Act of Bankruptcy occurs.

An "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.

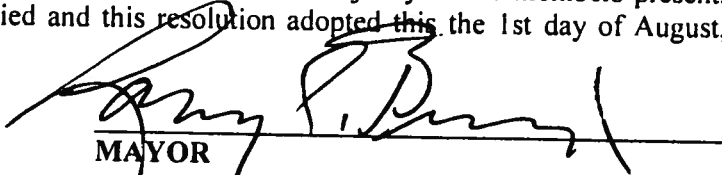
**SECTION 15.** The Mayor, the Clerk and the other officers of the City (the "Authorized Officers") are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this resolution.

**SECTION 16.** If any one or more of the provisions of this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution, but this resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

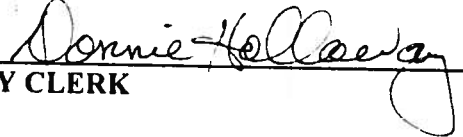
Aldersperson Fields seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Joyce Arceneaux-Mathis	Voted: <u>Absent</u>
Alderman James "Ricky" Gray	Voted: <u>Absent</u>
Alderswoman Sarah Smith	Voted: <u>Aye</u>
Alderman Ernest "Tony" Fields	Voted: <u>Aye</u>
Alderman Mark Fortenbery	Voted: <u>Nay</u>
Alderman Daniel Dillard	Voted: <u>Aye</u>

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and this resolution adopted this the 1st day of August, 2012.

  
MAYOR

ATTEST:

  
CITY CLERK

(SEAL)

032191