

RESOLUTION STATING THE INTENT OF THE MAYOR AND CITY COUNCIL (THE "GOVERNING BODY") OF THE CITY OF DIAMONDHEAD, MISSISSIPPI (THE "CITY"), TO ACQUIRE, RENOVATE, FINANCE AND EQUIP A CITY HALL AND RELATED FACILITIES (THE "PROJECT") UNDER AUTHORITY OF SECTIONS 31-8-1 ET SEQ., MISSISSIPPI CODE OF 1972, AS AMENDED FROM TIME TO TIME (THE "ACT"), UNDER A LEASE BETWEEN THE CITY AND THE SOUTHERN MISSISSIPPI INVESTMENT COMPANY, INC., A NON-PROFIT CORPORATION ORGANIZED UNDER THE LAWS OF THE STATE OF MISSISSIPPI (THE "CORPORATION"), CREATED FOR THE PURPOSE OF ACQUIRING, CONSTRUCTING, RENOVATING, FINANCING, EQUIPPING AND LEASING FACILITIES TO CERTAIN GOVERNMENTAL UNITS UNDER THE ACT; AND RESOLUTION EMPLOYING LOCAL COUNSEL AND APPROVING A SPECIAL COUNSEL AND A FINANCIAL ADVISOR TO THE CORPORATION IN CONNECTION WITH THE LEASE AND THE ISSUANCE OF CERTIFICATES OF PARTICIPATION (DIAMONDHEAD, MISSISSIPPI CITY HALL LEASE PURCHASE PROJECT), SERIES 2014 OR NEGOTIATING A LOAN AGREEMENT SECURED BY A NOTE WITH A TO BE DETERMINED LENDER TO FUND THE COST OF THE PROJECT.

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

1. The City is in need of acquiring, renovating, financing, equipping and leasing a City Hall and related facilities (the "Project").
2. The City is authorized by Sections 31-8-1 et seq., Mississippi Code of 1972, as amended from time to time (the "Act"), to enter into a lease and option to purchase agreement (the "Lease") for the acquisition, renovation, financing, and equipping of a City Hall and related facilities.
3. The City desires to enter into the Lease with the Southern Mississippi Investment Company, Inc., a non-profit corporation organized under the laws of the State of Mississippi (the "Corporation"), created under the procedure authorized by the Act, for the expressed purpose of acquiring, constructing, renovating, financing, equipping and leasing facilities to certain governmental units.
4. The City desires to employ Tindell Law Firm, Gulfport, Mississippi, as City Counsel ("City Counsel"), and approve Butler Snow LLP, Ridgeland, Mississippi, as Special Counsel to the Corporation ("Special Counsel"), and Government Consultants, Inc., Jackson, Mississippi, as Financial Advisor to the Corporation ("Financial Advisor"), all in connection with the Lease and the issuance of Certificates of Participation (Diamondhead, Mississippi City Hall Lease Purchase Project), Series 2014 (the "Certificates"), or negotiating a loan agreement secured by a note with a to be determined lender (the "Loan"), with the approval of the City, to provide funds for the Project and to authorize Local Counsel, Special Counsel and the Financial Advisor to assist in the sale of the Certificates or negotiating the Loan, to prepare and distribute

documents and resolutions in connection with the sale, issuance and delivery of the Certificates or negotiating the Loan, and to provide other services as are typically provided in similar transactions.

5. The City reasonably expects that it will incur expenditures prior to the issuance of the Certificates or entering into the Loan, which it intends to reimburse with the proceeds of the Certificates upon the issuance thereof or the proceeds of the Loan. This declaration of official intent to reimburse expenditures made prior to the issuance of the Certificates or entering into the Loan in anticipation of the issuance of the Certificates or entering into the Loan 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 portion of the debt expected to be issued for the Project and expected to be reimbursed is an amount not to exceed \$250,000.

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

SECTION 1. That the Governing Body of the City does hereby declare its intent for acquiring, renovating, financing, equipping and leasing a City Hall and related facilities from the Corporation through the Lease, upon such terms and conditions as may be subsequently approved by the Governing Body and under authority granted by the Act.

SECTION 2. The City hereby employs Tindell Law Firm, Gulfport, Mississippi, as City Counsel, and approve Butler Snow LLP, Ridgeland, Mississippi, as Special Counsel to the Corporation, and Government Consultants, Inc., Jackson, Mississippi, as Financial Advisor to the Corporation, all in connection with the Lease and the Certificates or the Loan and authorizes Local Counsel, Special Counsel and the Financial Advisor to assist in the sale of the Certificates or the negotiations for the Loan, to prepare and distribute documents and resolutions, including, but not all inclusive, the Lease, a ground lease and a trust agreement, a preliminary official statement and an official statement, in connection with the sale, issuance and delivery of the Certificates, or Lease, ground lease, a loan agreement and note regarding the negotiations for the Loan, and to provide other services as are typically provided in similar transactions. City Counsel, Special Counsel and the Financial Advisor shall be paid a reasonable and customary fee for their services, such fees to be approved by the Governing Body. Special Counsel shall also be reimbursed for reasonable out of pocket expenses in connection with its services.

SECTION 3. The City reasonably expects that it will incur expenditures prior to the issuance of the Certificates or entering into the Loan, which it intends to reimburse with the proceeds of the Certificates upon the issuance thereof or the proceeds of the Loan. This declaration of official intent to reimburse expenditures made prior to the issuance of the Certificates or entering into the Loan in anticipation of the issuance of the Certificates or entering into the Loan 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 portion of the debt expected to be issued for the Project and expected to be reimbursed is an amount not to exceed \$250,000.

SECTION 4. 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.

SECTION 5. All orders, resolutions or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For cause, this resolution shall become effective upon the adoption hereof.

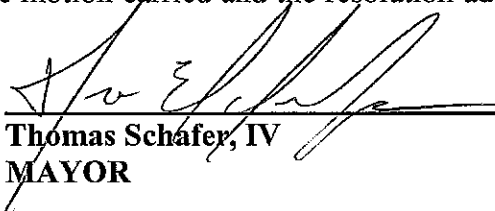
The above and foregoing resolution, after having been first reduced to writing, was introduced by Councilperson Reah, seconded by Councilperson Sislow and the question being put to a roll call vote, the result was as follows:

AYES:
Councilmember LaFontaine
Councilmember Knobloch
Councilmember Sislow
Councilmember Reah, Mayor Schafer

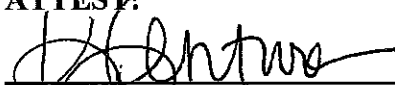
NAYS:

ABSENT:
Councilmember Lopez

The motion having received the affirmative vote of a majority of all of the members of the Governing Body, the Mayor declared the motion carried and the resolution adopted, this the 1st day of April, 2014.



Thomas Schafer, IV
MAYOR

ATTEST:


Kristin Ventura
CITY CLERK

(SEAL)

