

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI

COUNTY OF HARRISON

BE IT REMEMBERED, that a regular meeting of the Board of Supervisors of Harrison County, Mississippi was begun and held in the meeting room of the Board of Supervisors of Harrison County, located in the Second Judicial District Courthouse at Biloxi, Mississippi, on the **SECOND MONDAY OF DECEMBER 2003**, being **December 8, 2003**, the same being the time fixed by law and the place fixed by the Order of the Board of Supervisors of Harrison County at a former meeting thereof for holding said meeting of said Board.

THERE WERE PRESENT and in attendance on said Board, Marlin R. Ladner, President of said Board, presiding; Bobby Eleuterius, Larry Benefield, and Connie M. Rockco, members of said Board of Supervisors; Tal Flurry, Tax Assessor for Harrison County, Mississippi; George H. Payne, Jr., Sheriff of Harrison County, Mississippi; and John McAdams, Chancery Clerk and Ex-Officio Clerk of said Board. Supervisor William W. Martin was absent and excused.

WHEREUPON, after the proclamation of the Sheriff, the following proceedings were had and done, viz:

* * *

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Senators Tommy Gollot and Deborah Dawkins, along with staff members of Mississippi Department of Environmental Quality, appeared before the Board to present a check in the amount of \$146,866.00 for Tidelands Grant for Tchoutacabouffa River.

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Al Koenenn appeared before the Board to discuss the removal of a trailer that is blocking a right-of-way on Cathy Ladner Road located in Supervisor's Voting District 3.

After full discussion Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER AUTHORIZING JOE MEADOWS, BOARD ATTORNEY TO SEND
WRITTEN NOTIFICATION TO REMOVE TRAILER OFF OF PUBLIC
RIGHT-OF-WAY**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE Joe Meadows, Board Attorney to send written notification giving 10 day notice to remove trailer off of public right-of-way.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

Mark Gotjen appeared before the Board to discuss B & G Climate Control Warehouse. After full discussion Mr. Gotjen agreed to reduce the size of his building to meet the required specifications of the City of Biloxi and Harrison County.

* * *

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Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER ACKNOWLEDGING RECEIPT OF PROPOSALS FOR THE
HOUSE ARREST PROGRAM, PROBATION PROGRAM, OR
ALTERNATIVE SENTENCING PROGRAM, TO BE TABULATED AND
AWARDED AT A LATER DATE**

WHEREAS, the Board of Supervisors does hereby find as follows:

1. That this Board, at a meeting heretofore held on the 29th day of September 2003, adopted an Order authorizing and directing the Clerk of the Board to cause publication to be made of notice of invitation for proposals for a House Arrest Program, Probation Program or Alternative Sentencing Program, Harrison County, Mississippi.
2. That as directed in the aforesaid Order, said notice was published in The Sun Herald newspaper, a newspaper published and having a general circulation in Harrison County, Mississippi for more than one year next immediately preceding the date of said Order directing publication of said notice, and that the Publisher's Affidavit of Proof of Publication has been filed with the Clerk of this Board, by said Clerk exhibited to the Board, and shows that said notice was published on November 1 and 8, 2003.
3. That publication of said notice has been made once each week for two consecutive weeks, the last of which was at least seven working days prior to December 8, 2003, the day fixed for receiving said proposals in the Order identified in paragraph one thereof, said Proof of Publication being in the following form, words, and figures, to-wit:

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...proposals were received at the time and place and in the manner provided in said legal notice, being December 8, 2003, at which time this Board acknowledged receipt of the proposals received and action on same was laid over until a later date, said proposals being on file with the Clerk of the Board.

PROOF OF PUBLICATION

STATE OF MISSISSIPPI
COUNTY OF HARRISON

Before me, the undersigned Notary Public of Harrison County, Mississippi, personally appeared Sharon Pearecy who, being by me first duly sworn, did depose and say that she is a clerk of The Sun Herald, a newspaper published in the city of Gulfport, in Harrison County, Mississippi, and that publication of the notice, a copy of which is hereto attached, has been made in said paper 2 times in the following numbers and on the following dates of such paper, viz:

- Vol. 120 No. 216 dated 1st day of Nov 20 03
- Vol. 120 No. 33 dated 8th day of Nov 20 03
- Vol. _____ No. _____ dated _____ day of _____ 20 _____
- Vol. _____ No. _____ dated _____ day of _____ 20 _____
- Vol. _____ No. _____ dated _____ day of _____ 20 _____
- Vol. _____ No. _____ dated _____ day of _____ 20 _____
- Vol. _____ No. _____ dated _____ day of _____ 20 _____

Affiant further states on oath that said newspaper has been established and published continuously in said county for a period of more than twelve months next prior to the first publication of said notice.

Sharon Pearecy
Clerk

Sworn to and subscribed before me this 11th day of November A.D. 20 03
Commission Expires on:
October 15, 2007
Kelvin Mink
Notary Public

Printer's Fee \$ 154.00
Furnishing proof of publication \$ 6.00
TOTAL \$ 160.00

4. That proposals were received at the time and place and in the manner provided in said legal notice, being December 8, 2003, at which time this Board acknowledged receipt of the proposals received and action on same was laid over until a later date, said proposals being on file with the Clerk of the Board.

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IT IS THEREFORE ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the proposals received on this date for the House Arrest Program, Probation Program, or Alternative Sentencing Program be, and the same are HEREBY ACKNOWLEDGED AND LAID OVER for action at a later date.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

Mrs. Violet Ramirez was to appear before the Board to discuss conditions at the Youth Detention Center. Mrs. Ramirez did not appear.

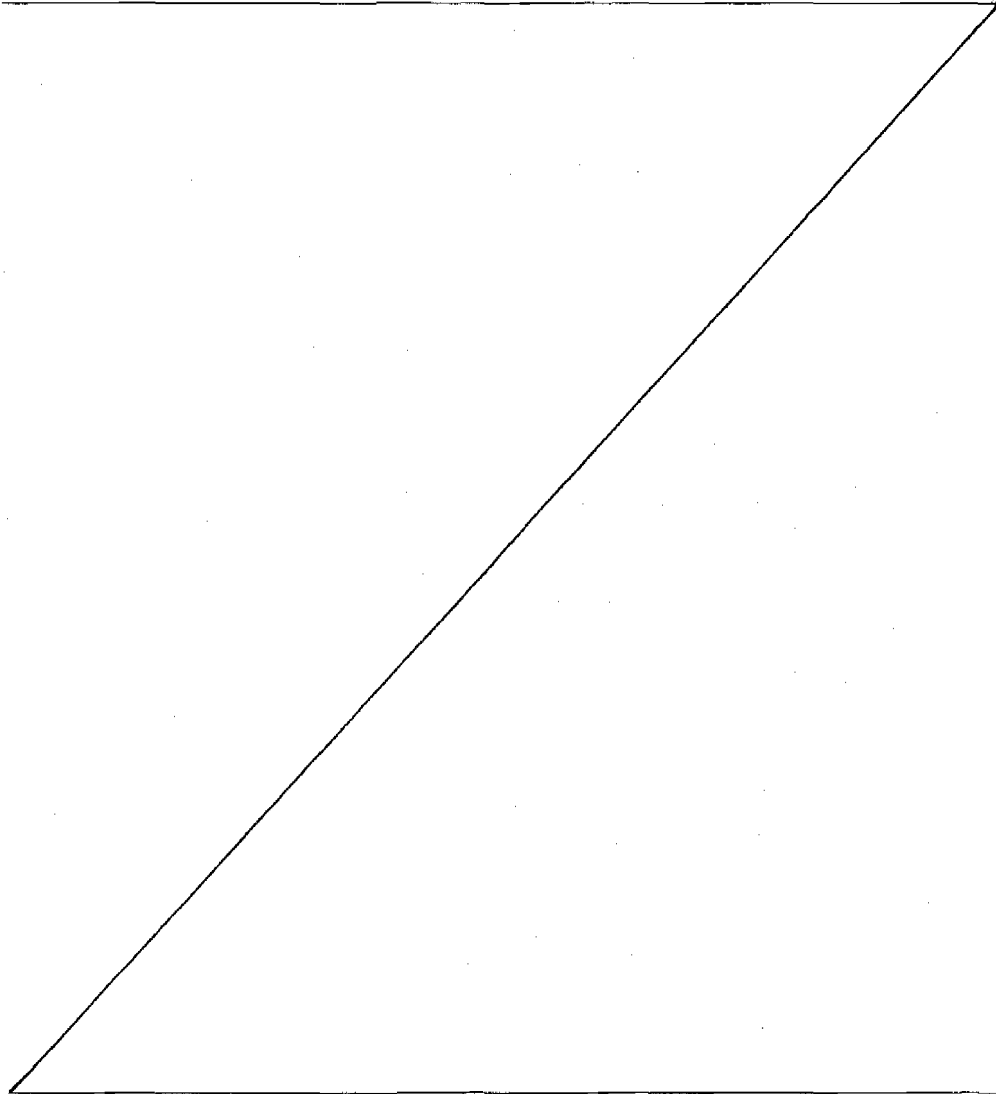
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**MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER ACKNOWLEDGING RECEIPT OF APPROVAL FROM THE
STATE TAX COMMISSION OF THE REAL AND PERSONAL PROPERTY
ASSESSMENT ROLLS OF HARRISON COUNTY, MISSISSIPPI FOR THE
YEAR 2003, PER SECTION 27-35-127, MISS. CODE OF 1972, AS
AMENDED, AND FINALLY APPROVING SAID REAL AND PERSONAL
ASSESSMENT ROLLS OF HARRISON COUNTY, MISSISSIPPI**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY ACKNOWLEDGE receipt of approval from the State Tax Commission of the Real and Personal Property Assessment Rolls of Harrison County, Mississippi for the year 2003, per Section 27-35-127, Miss. Code of 1972, as amended, and finally approving said Real and Personal Assessment Rolls of Harrison County, Mississippi, said order of the State Tax Commission being in the following form, words, and figures:



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Form 5013 (Rev. 6/99)
Revised 7/02

20⁰³
ORDER OF STATE TAX COMMISSION APPROVING
REAL ROLL

STATE OF MISSISSIPPI
County of Hinds

WHEREAS, the Clerk of the Board of Supervisors of Harrison County has filed with the State Tax Commission a copy of the Real Assessment Roll of said county as of the first day of January, 20⁰³ in the manner prescribed by Section 27-35-127, Code of 1972, and other laws, and showing a total Assessment of Real Property as follows:

	Acres	Valuation
TOTAL LAND ASSESSMENT OF COUNTY.....	227,175	\$ 1,001,244,046
SUBJECT TO STATE TAXES AND SCHOOL TAXES (Exempt from Local Taxes).....		\$ 6,362,276
Subject to Levee Taxes:		
Acres.....		\$ _____
.....AND.....		

ORDER OF STATE TAX COMMISSION APPROVING
PERSONAL ROLL

WHEREAS, the Clerk of the Board of Supervisors of Harrison County has filed with the State Tax Commission a copy of the Personal Assessment Roll of said county as of the first day of January, 20⁰³ in the manner prescribed by Section 27-35-127, Code of 1972, and other laws, and showing a total Assessment of Personal Property as follows:

TOTAL PERSONAL ASSESSMENT OF COUNTY.....	\$ 426,787,658
SUBJECT TO STATE TAXES AND SCHOOL TAXES (Exempt from Local Taxes).....	\$ 1,834,639
Subject to Levee Taxes.....	\$ _____

And it appearing to be the satisfaction of the State Tax Commission that the rolls and the assessments contained in the same have been made and the rolls prepared in conformity to the requirements of law, and that the assessments have been fixed in accordance with the orders of this Commission, it is, therefore, ordered that the Real and Personal Assessment Rolls be and the same are hereby approved

Ordered and adjudged this the 3rd day of December, A. D., 2003

THE STATE TAX COMMISSION,
Ed Buelow, Jr., Chairman
By [Signature]
Director, Office of Property Tax

Certificate of Secretary of Tax Commission

As Secretary of the State Tax Commission of the State of Mississippi, I do hereby certify that the above and foregoing is a true and correct copy of an order of the State Tax Commission adopted on the date therein stated, and as shown in the minutes of the said Commission

Witness my signature on this the 3rd day of December, A. D. 20⁰³

[Signature]
Acting Secretary, State Tax Commission

DISTRIBUTION
White - Board Minutes, Green - Real Roll Collector's office, Canary - Personal roll Collector's Office,
Pink - Tax Commission, Goldenrod - State Department of Audit

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IT IS FURTHER ORDERED that the Board does HEREBY FINALLY APPROVE the 2003 Real and Personal Property Assessment Rolls of Harrison County, Mississippi,

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The motion having received the affirmative vote from the majority of the supervisors present, the president declared the motion carried and the order adopted.

THIS, the 8th day of December 2003.

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Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER ACKNOWLEDGING RECEIPT OF VARIOUS CHECKS AND CASH
TOTALING \$1149.00 RECEIVED BY THE TAX ASSESSOR AS FEES
COLLECTED FOR COPIES OF MAPS AND REAL PROPERTY DATA
RELEASE FOR THE MONTH OF NOVEMBER, TO BE DEPOSITED IN
THE HARRISON COUNTY GENERAL FUND**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY ACKNOWLEDGE receipt of various checks and cash totaling \$1149.00 received by the Tax Assessor as fees collected for copies of maps and real property data release for the month of November, to be deposited in the Harrison County General Fund.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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Supervisor LARRY BENEFIELD moved adoption of the following:

ORDER ACKNOWLEDGING RECEIPT OF AND APPROVING PETITIONS
FOR CHANGES TO THE 2003 REAL AND PERSONAL PROPERTY
ROLL, AS RECOMMENDED BY THE TAX ASSESSOR

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY ACKNOWLEDGE receipt of and approving petitions for changes to the 2003 Real and Personal Property Roll, as recommended by the Tax assessor, as follows:

Parcel ID	Legal Description	Assessor's Value	Change	Total	2003 Approval
10-00-00-0000	...	9531	-3217	9531	00/00/0000
10-00-00-0000	...	5765	-3899	10264	00/00/0000
10-00-00-0000	...	7300	-9500	7300	00/00/0000
10-00-00-0000	...	8675	-3425	8675	00/00/0000
10-00-00-0000	...	2444	-801	2444	00/00/0000
10-00-00-0000	...	10880	-1426	10880	00/00/0000
10-00-00-0000	...	3381	-1021	3381	00/00/0000
10-00-00-0000	...	14957	-4276	14957	00/00/0000
10-00-00-0000	...	7509	-2855	7509	00/00/0000
10-00-00-0000	...	20100	-9712	20100	00/00/0000
10-00-00-0000	...	14021	-10004	14021	00/00/0000

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Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING PETITIONS TO INCREASE THE 2003 PROPERTY
ROLL FOR PARCEL, AS LISTED**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE petition to increase the 2003 Property Roll for the following:

Parcel No. 0607H-01-006.000.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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Supervisor **LARRY BENEFIELD** moved adoption of the following:

ORDER AUTHORIZING PURCHASE OF FIVE IBM THINKCENTER A SERIES-A30 INTEL PENTIUM 4 PROCESSOR COMPUTERS WITH MONITORS, FROM LOW QUOTE FROM PREMISE, INC. FOR \$1,896.00 EACH, PAYABLE FROM INTERFACE FUND

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE purchase of five IBM ThinkCenter A Series-A30 Intel Pentium 4 Processor computers with monitors, from low quote from Premise, Inc. for \$1,896.00 each, payable from interface fund.

PREMISE, inc.

Quotation

"BUSINESS SOLUTIONS FOR TOMORROW"

Harrison County
 1801 23rd Avenue
 Gulfport, MS

Attn: Sue Shipman
 Phone: 228 865-4250
 Fax:

Premise, Inc.
 4902 Creekside Drive, Suite D
 Clearwater, FL 33760
 Greg Karpinsky
 727-540-0311
 727.572.8068
 12/03/2003

Qty.	Item Number	Description	Unit Price	Total
1	81989301	Desktop Options IBM ThinkCenter A Series - A30 Intel Pentium 4 Processor 2.66 GHz, 533Mhz Front Side Bus, 512 KB L2 CPU Cache, 1024MB 266Mhz PC2100 DDR SDRAM, 40GB 11D ATA-100 (Enhanced IDE), 48x Variable Speed CD-ROM, 1.44MB 3.5" Floppy Drive, 101 Key KB, Optical Wheel Mouse, Integrated Intel Extreme Graphics, Intel Integrated Pro 10/100 Ethernet, Sound Max Integrated Audio, Tower 3 X 5. 6/2 USB Ports, Microsoft Windows XP Professional One Year Parts and Labor	\$949.00	\$949.00
1	22P7043	IBM 48X/32X/48X Max CD-RW Drive (A Series)	\$89.00	\$89.00
1		Microsoft Office XP Professional (With System Purchase)	\$329.00	\$329.00
1	NEC Multisync LCD1560V-BK	15" NEC LCD Multisync 1024X768 3 DP Grand Total Price with NEC 15" LCD Monitor	\$339.00 \$1,706.00	\$339.00 \$1,706.00
1	NEC Multisync LCD1760V BK	17" NEC LCD Multisync 1280X1024 Grand Total Price with NEC 17" LCD Monitor	\$529.00 \$1,896.00	\$529.00 \$1,896.00
1	NEC Multisync FE771SB-BK	17" NEC Flat Screen (Glass Jug) 17" Monitor (FE771SB-BK) Grand Total Price with NEC 17" Glass Jug Monitor	\$189.00 \$1,556.00	\$189.00 \$1,556.00

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Thank you for allowing CMA the opportunity to provide you with the following quote. In today's dynamic business environment, it takes a dedicated effort to keep the technology side of your business operating efficiently. A viable and successful business must contend with ever changing technology needs and the cost associated with maintaining your information systems.

Thank you for allowing CMA the opportunity to provide you with the following quote. CMA is pleased to be able to help you manage your network as well as enhance the use of your information systems. If you have any questions please feel free to contact me.

Charles Titus
 CMA
 225-927-9200
 Email
 ctitus@cmaontheweb.com

**Prices do not include applicable tax and shipping.*

Product Description	Qty.	Price	Ext. Price
A50P			
Thinkcenter A50, 2.8GHz, Tower	1	\$1,148.00	\$1,148.00
80GB Hard drive			
48x/32/48x Max CDRW			
128MB Ram			
64MB DDR Nvidia GeForce MX 440 APG			
Integrated 10/100 Ethernet			
Windows XP Pro			
512MB PC2700 CL2.5 NP DDR Ram	2	\$179.00	\$358.00
MS Office XP Pro Preload	1	\$324.00	\$324.00
L170 17" Flat Panel Monitor	1	\$555.00	\$555.00
A50P Total			\$2,385.00



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Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

ORDER APPROVING EMPLOYMENT, AS LISTED

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE employment, as listed:

a) Maudie Cuevas, Biloxi Tax Assessor Office, Temporary full time, at a rate of \$637.00 bimonthly, effective January 1, 2004 for four months.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING CLAIMS DOCKET FOR SERVICES PROVIDED TO
THE HARRISON COUNTY EMERGENCY COMMUNICATIONS
COMMISSION AS APPROVED BY THE COMMISSION ON NOVEMBER
20, 2003**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE claims docket for services provided to the Harrison County Emergency Communications Commission as approved by the Commission on November 20, 2003.

- a) Fullhouse Venture Company, L.P. in the amount of \$1,054.17 for rental of the storage warehouse for the month of November 2003. Payable from Line Item # 097-287-530
- b) Dukes, Dukes, Keating, & Faneca, P.A. in the amount of \$3,825.98 for legal services provided. Payable from Line Item # 097-287-550
- c) Moses Engineers in the amount of \$13,948.00 for services rendered for the county-wide public safety communications system. Payable from Line Item # 097-287-555.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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ORDER APPROVING PAYMENT IN THE AMOUNT OF \$9,962.96 TO REIMBURSE
THE CITY OF GULFPORT FOR NORTH SWAN ROAD TOWER SITE WORK

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, on the 12th day of October, 2000, the Harrison County Emergency Communications Commission entered into a Memorandum of Agreement for the procurement, construction, installation and transfer of a 800 MHZ trunked radio communication system according to a plan to provide county-wide public safety and emergency service in the City of Gulfport and in Harrison County; and

WHEREAS, on the 18th day of October, 2000, the City of Gulfport authorized the aforesaid Memorandum of Agreement; and

WHEREAS, on the 23rd day of October, 2000, the Board of Supervisors of Harrison County, Mississippi, authorized the aforesaid Memorandum of Agreement; and

WHEREAS, under the terms of the Memorandum of Agreement, the City of Gulfport, the Harrison County Emergency Communications Commission and Harrison County agreed to share resources to construct, to establish and to administer a County-wide communications system utilizing the design technology, procurement of infrastructure and facilities contracted for by the City of Gulfport; and

WHEREAS, in December of 2001, certain flood control measures were needed at the North Swan Road tower site in order to temporarily protect the building and equipment until a

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permanent solution could be found as stated in the letter of Robert Bailey, 911 Coordinator, attached hereto and incorporated herein by reference as **EXHIBIT "A"**, and

WHEREAS, the City of Gulfport provided the labor and equipment for the flood control project and the County was to reimburse the City the costs of the materials needed in the amount of NINE THOUSAND NINE HUNDRED SIXTY-TWO DOLLARS and 96/100 (\$9,962.96), a copy of the request for reimbursement from Kris Riemann, Public Works Director, City of Gulfport, is attached hereto and incorporated herein by reference as **EXHIBIT "B"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission found that the City of Gulfport should be reimbursed for the costs of materials by Resolution, dated November 20, 2003, and attached hereto as **Exhibit "C"**;

NOW, THEREFORE, BE IT ORDERED by the Harrison County Board of Supervisors as follows:

SECTION 1

The Harrison County Board of Supervisors authorize and approve payment to the City of Gulfport for reimbursement for the cost of materials used at the North Swan Road Communication Tower Site, in the amount of NINE THOUSAND NINE HUNDRED SIXTY-TWO DOLLARS and 96/100 (\$9,962.96), as reflected in the letter from Robert K. Riemann, Public Works Director for the City of Gulfport, attached hereto and incorporated herein as **Exhibit "B"**.

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The above and foregoing Order pertaining to payment to the City of Gullport for North Swan Road Tower Site Work was introduced by Supervisor Benefield, who moved the adoption of same. Said Motion was seconded by Supervisor Eleuterius. Upon being put to vote, the results were as follows:

Supervisor BOBBY ELEUTERIUS voted	<u>AYE</u>
Supervisor LARRY BENEFIELD voted	<u>AYE</u>
Supervisor MARLIN LAONER voted	<u>AYE</u>
Supervisor WILLIAM MARTIN voted	<u>ABSENT & EXCUSED</u>
Supervisor CONNIE ROCKCO voted	<u>AYE</u>

The motion having received the affirmative vote of a majority of the members present, the President of the Governing Body declared the motion carried and the Order adopted, on this the 8th day of December, 2003.

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**Harrison County Emergency
Communications Commission**

15309-B Community Road, Gulfport, Mississippi 39503
Phone (228) 831-0760 • Fax (228) 831-0762
e-mail address: harrison911@co.harrison.ms.us

TO: 911 Commission Members

FROM: Robert Bailey, 911 Coordinator *RGB*

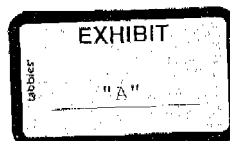
RE: Repayment to City of Gulfport

DATE: October 16, 2003

Please find attached a request from Kris Riemann, Public Works Director requesting reimbursement for materials related to flooding control at the North Swan Rd tower site.

The work was done as a result of site flooding in order to protect the building and equipment until a permanent solution was obtained. The City of Gulfport provided this work due to Harrison County resources being unavailable at the time and the urgency of the situation required the work be performed immediately.

A review of the material cost sheet indicates an error for the cost of the erosion blanket



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

KEN COMBS
Mayor

ROBERT K. RIEMANN
Director of Public Works

RONALD M. SMITH
Assistant Public Works Director

DEPARTMENT OF PUBLIC WORKS
 4050 Hewes Avenue
 Gulfport, Mississippi 39507
 Telephone (228) 868-5740
 Fax (228) 868-5743

CITY of GULFPORT



"WHERE YOUR SHIP COMES IN"

Mayor-Council Form of Government

Jimmie Jenkins
Councilman, Ward One

Richard Rose
Councilman, Ward Two

Ella Holmes-Hines
Councilwoman, Ward Three

Kim B. Savant
Councilman, Ward Four

Ricky Dombrowski
Councilman, Ward Five

Charles E. "Chuck" Teston
Councilman, Ward Six

Billy Hewes
Councilman, Ward Seven

October 27, 2003

Robert G. Bailey Jr., ENP
 Director
 Harrison County Emergency
 Communications Commission
 15309-B Community Rd.
 Gulfport, MS 39503

**Re: Reimbursement of Funds from Harrison County for North Swan Road E-911
 Communication Tower Site Work Completed by the City of Gulfport**

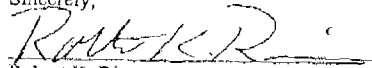
Dear Gil:

After receiving your email, we have made the correction to the materials listing P.O. # 45234 was issued and paid in the amount of \$1,530.00 for two items (erosion blanket and staples). There were three boxes of staples used @ \$40.00 per box. I have attached a copy of the P.O. for your review. This results in a deductive amount of \$48.00.

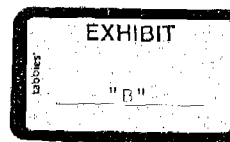
The corrected total spent by the City of Gulfport for materials to be reimbursed by Harrison County is \$ 9,962.96.

Thank you for your assistance in this matter. If you have any questions, please contact me at (228) 868-5741.

Sincerely,


 Robert K. Riemann
 Director of Public Works

Attachment: Expenses for North Swan Comm Tower Site Work



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

NORTH SWAN COMMUNICATION TOWER EXPENSES
 SITE WORK, PHASE II (rev. date 10/27/03)

MATERIAL COST					
MATERIAL	QUANTITY	UNIT PRICE	TOTAL COST	GPT. P.O.#	COMMENTS
Erosion Blanket	30 Rolls	\$47.00	\$1410.00	45234	Erosion control on top of berm.
Staples	3 Boxes	\$40.00	\$120.00	45234	Erosion control on top of berm.
Quick Crete	172 Bags	\$1.68	\$288.96	45230	Erosion control on head wall and around drainage pipe.
15 Inch flapper valve	1	\$159.00	\$159.00	45269	Used on drainage pipe to release water from berm.
Limestone #57	100 Tons	\$14.50 P/T	\$1450.00	45132	Erosion control inside of berm.
Limestone #57	100 Tons	\$14.50 P/T	\$1450.00	45275	Erosion control inside of berm.
Class 9 & Limestone #610	365 Yrds 250 Tons	\$4.00 P/Yrd \$14.50 P/T	\$5085.00	45789	Entrance road to complex.
<i>Total Material Cost</i>			\$9,962.96		
LABOR COST					
Labor	1084 Man hours	\$10.00 Avg.	\$10,840.00	OPTECH Contract	Labor
<i>Total Labor Cost</i>			\$10,840.00		
EQUIPMENT COST					
Dozer Rental	17 Days	\$68.33 P/D	\$1161.61	20952	Clearing complex site
Excavator Rental	15 Days	\$290.00 P/D	\$4350.00	44120	Clearing complex site
Excavator Rental	15 Days	\$290.00 P/D	\$4350.00	44134	Clearing complex site
<i>Total Equipment Cost</i>			\$9,861.61		

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

PURCHASE ORDER



CITY OF GULFPORT
 Finance & Administration Dept.
 Purchasing Division
 P.O. Box 1780
 Gulfport, MS 39502
 PH: 228.868.5706 Ext. 108
 FAX: 228.868.5704
 TAX EXEMPT# 84-74-0087K
 MS. CODE: 27-65-105

The following goods are for the use of the City of Gulfport, for this department in accordance with the delivery, terms, prices and specifications herein contained.

BOARDS

CONSTRUCTION MATERIALS
 P O BOX 4088
 BATON ROUGE, LA 70821

SHIPPED

STREETS AND DRAINAGE
 4050 HEWES AVE
 GULFPORT, MS
 39507

Requisition
 00049571

Purchase Order #	00045234-00 FY 2002
Date Ordered	12/10/01
Date Required	12/10/01

The vendor shall show this purchase order number on all related invoices, bills of lading, packages and/or correspondence.

Vendor Number		Freight Method/Terms		Department/Location	
000178				STREETS AND DRAINAGE	
Item#	Description/Part No.	Unit	Qty	Cost Each	Extended Price
000	30 ROLLS OF EROSION CONTROL SYSTEM BLANKETS @ \$47.00 EACH		1.0	1536.00000	1,536.00
	BOXES OF EROSION CONTROL SYSTEM STAPLES @ \$42.00 PER BOX	EA	3		
	BID ITEM, GROUP D1 311-614500		1,536.00		
				PO Total	1,536.00 1536.00

All prices unless otherwise specified, are net, F.O.B. destination, with transportation charges prepaid. No C.O.D.'s will be accepted.

Equipment, materials and/or supplies delivered on this order shall be subject to inspection and test upon receipt and if rejected shall remain the property of the vendor. As per MS State Law, re stocking fees are not allowed.

Cheryl Shaw
 AUTHORIZED SIGNATURE

ACCOUNTING

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

RESOLUTION APPROVING PAYMENT IN THE AMOUNT OF \$9,262.96 TO REIMBURSE THE CITY OF GULFPORT FOR NORTH SWAN ROAD TOWER SITE WORK AND REQUESTING THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI TO MAKE SUCH PAYMENT

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, on the 12th day of October, 2000, the Harrison County Emergency Communications Commission entered into a Memorandum of Agreement for the procurement, construction, installation and transfer of a 800 MHZ trunked radio communication system according to a plan to provide county-wide public safety and emergency service in the City of Gulfport and in Harrison County; and

WHEREAS, on the 18th day of October, 2000, the City of Gulfport authorized the aforesaid Memorandum of Agreement; and

WHEREAS, on the 23rd day of October, 2000, the Board of Supervisors of Harrison County, Mississippi, authorized the aforesaid Memorandum of Agreement; and

WHEREAS, under the terms of the Memorandum of Agreement, the City of Gulfport, the Harrison County Emergency Communications Commission and Harrison County agreed to share resources to construct, to establish and to administer a County-wide communications system utilizing the design technology, procurement of infrastructure and facilities contracted for by the City of Gulfport; and



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

WHEREAS, in December of 2001, certain flood control measures were needed at the North Swan Road tower site in order to temporarily protect the building and equipment until a permanent solution could be found as stated in the letter of Robert Bailey, 911 Coordinator, attached hereto and incorporated herein by reference as **EXHIBIT "A"**; and

WHEREAS, the City of Gulfport provided the labor and equipment for the flood control project and the County was to reimburse the City the costs of the materials needed in the amount of NINE THOUSAND NINE HUNDRED SIXTY-TWO DOLLARS and 96/100 (\$9,962.96), a copy of the request for reimbursement from Kris Riemann, Public Works Director, City of Gulfport, is attached hereto and incorporated herein by reference as **EXHIBIT "B"**, and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that the City of Gulfport should be reimbursed for the costs of materials as reflected in **EXHIBIT "B"**;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Harrison County Emergency Communications Commission as follows:

SECTION 1

The Harrison County Emergency Communications Commission respectfully requests the Harrison County Board of Supervisors to authorize and approve payment to the City of Gulfport for reimbursement for the cost of materials used at the North Swan Road Communication Tower Site, in the amount of NINE THOUSAND NINE HUNDRED SIXTY-TWO DOLLARS and 96/100 (\$9,962.96), as reflected in the letter from Robert K. Riemann, Public Works Director for the City of Gulfport, attached hereto and incorporated herein as **Exhibit "B"**.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

The above and foregoing Resolution was introduced by Commissioner Bissonnette, who moved the adoption of same. Said Motion was seconded by Commissioner BASS. Upon being put to vote, the results were as follows:

Chief GEORGE BASS, Long Beach Fire Department	<u>AYE</u>
Major LOU BISSONNETTE, Harrison County Sheriff's Department	<u>AYE</u>
JIM BORSIG, CAO for the City of Biloxi	<u>AYE</u>
MELVIN BRILLOSARA, Harrison County at Large	<u>AYE</u>
Commander RANDY BROWN, Gulfport Police Department	<u>AYE</u>
STEVE DELAHOUSEY, Emergency Medical Services	<u>ABSENT</u>
Chief JOHN DUBUISSON, Pass Christian Police Department	<u>AYE</u>

WHEREUPON, Chairman Steve Delahousey declared the motion carried and the resolution adopted on the 20th day of November, 2003.

**HARRISON COUNTY EMERGENCY
COMMUNICATIONS COMMISSION**

BY: [Signature]

ATTEST:

[Signature]

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

ORDER APPROVING FINAL PAYMENT IN THE AMOUNT OF \$37,633.79
TO THE CITY OF GULFPORT

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, on the 12th day of October, 2000, the Harrison County Emergency Communications Commission entered into a Memorandum of Agreement for the procurement, construction, installation and transfer of a 800 MHz trunked radio communication system according to a plan to provide county-wide public safety and emergency service in the City of Gulfport and in Harrison County; and

WHEREAS, on the 18th day of October, 2000, the City of Gulfport authorized the aforesaid Memorandum of Agreement; and

WHEREAS, on the 23rd day of October, 2000, the Board of Supervisors of Harrison County, Mississippi, authorized the aforesaid Memorandum of Agreement; and

WHEREAS, under the terms of the Memorandum of Agreement, the City of Gulfport, the Harrison County Emergency Communications Commission and Harrison County agreed to share resources to construct, to establish and to administer a County-wide communications system utilizing the design technology, procurement of infrastructure and facilities contracted for by the City of Gulfport; and

WHEREAS, under the terms of the Memorandum of Agreement and amendments thereto, the Harrison County Emergency Communications Commission and Harrison County were to pay

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

the City of Gulfport for all systems and equipment, transfer, assignments, leases, contracts and any and all additional assets or property of every type and character a sum not to exceed FOUR MILLION FOUR HUNDRED SIXTY FIVE THOUSAND FIVE HUNDRED FIFTY EIGHT DOLLARS AND 40/100 (\$4,465,558.40); and

WHEREAS, the Harrison County Emergency Communications Commission and Harrison County has previously paid the City of Gulfport FOUR MILLION THREE HUNDRED FIFTY NINE THOUSAND SIXTEEN DOLLARS and 26/100 (\$4,359,016.26), and the City of Gulfport, Mississippi, has now requested a final payment in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79) pursuant to the terms of the Memorandum of Agreement, as shown on the City of Gulfport's letter, dated October 16, 2003, attached hereto and incorporated herein by reference as **Exhibit "A"**; and

WHEREAS, the Harrison County Board of Supervisors find that Communications Coordinator Gil Bailey, has certified that the City of Gulfport is entitled to said payment in the total amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79), as stated in his letter attached hereto and incorporated herein as **Exhibit "B"**, and

WHEREAS, the Harrison County Board of Supervisors find that the payment of THIRTY SEVENTHOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79) has been verified by Moses Engineers as stated in the letter attached hereto and incorporated herein as **Exhibit "C"**, and

WHEREAS, the Harrison County Board of Supervisors find that the City of Gulfport has agreed to the terms and conditions of the Completion Agreement which transfers and delivers a fully

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

operational and turnkey 800 MHz trunked radio system from the City of Gulfport to the Harrison County Emergency Communications Commission and Harrison County, a copy of this Completion Agreement being attached hereto as **Exhibit "D"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission found that the final payment to the City of Gulfport in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79) is right and justified and authorized the execution of the Completion Agreement by Resolution dated November 20, 2003, attached hereto as **Exhibit "E"**;

NOW, THEREFORE, BE IT ORDERED by the Harrison County Board of Supervisors as follows:

SECTION 1

The Harrison County Board of Supervisors authorize and approve final payment to the City of Gulfport as stated in their letter, dated October 16, 2003, in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79), a copy of which is attached hereto and incorporated herein as **Exhibit "A"** which brings the total amount paid to the City of Gulfport to FOUR MILLION THREE HUNDRED NINETY SIX THOUSAND SIX HUNDRED FIFTY DOLLARS and 05/100 (\$4,396,650.05).

SECTION 2

The Harrison County Board of Supervisors authorizes and approves the Completion Agreement which conveys a fully operational and turnkey 800 MHz trunked radio system from the City of Gulfport to the Harrison County Emergency Communications Commission and Harrison County and authorizes and directs the President of the Board to execute said Agreement as an act

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

of and on behalf of Harrison County, a copy of this Completion Agreement being attached hereto as Exhibit "D."

The above and foregoing Order pertaining to the final payment to the City of Gulfport was introduced by Supervisor Eleuterius who moved the adoption of same. Said Motion was seconded by Supervisor Rockco _____. Upon being put to vote, the results were as follows:

Supervisor BOBBY ELEUTERIUS voted	<u>AYE</u> _____
Supervisor LARRY BENEFIELD voted	<u>AYE</u> _____
Supervisor MARJIN LADNER voted	<u>AYE</u> _____
Supervisor WILLIAM MARTIN voted	<u>ABSENT & EXCUSED</u>
Supervisor CONNIE ROCKCO voted	<u>AYE</u> _____

The motion having received the affirmative vote of a majority of the members present, the President of the Governing Body declared the motion carried and the Order adopted, on this the 8th day of December, 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

KEN COMBS
Mayor

JERRY W. SMITH
Chief Administrative Officer

Jimmie Jenkins
Councilman, Ward One

Richard Rose
Councilman, Ward Two

Ella Holmes-Hines
Councilwoman, Ward Three

CITY of GULFPORT



Mayor-Council Form of Government

P.O. BOX 1780
 GULFPORT, MISSISSIPPI 39502-1780
 TELEPHONE (228) 868-5700

October 16, 2003

Kim B. Savant
Councilman, Ward Four

Ricky Dombrowski
Councilman, Ward Five

Charles E. "Chuck" Teston
Councilman, Ward Six

Billy Hewes
Councilman, Ward Seven

Robert G. Bailey, ENP
 Harrison County Emergency Communications Commission
 15309-B Community Road
 Gulfport, MS 39503

RE: COMMUNICATIONS SYSTEM

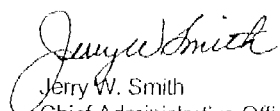
Dear Mr. Bailey,

I do hereby submit for payment herein the amount of **\$37,633.79** for the recalculation of payments number one (1) through seven (7) by Dominic F. Tusa, Moses Engineers. As you are aware, these payments were in regards to the E911 communications system. This correction included infrastructure that was not reimbursed to the city of Gulfport by Harrison County.

Please make your check payable to **The City of Gulfport**, and mail it to my attention at the address above.

If you have any questions, you may call me at (228)-868-5770.

Sincerely,


 Jerry W. Smith
 Chief Administrative Officer

JWS/afw

Cc: Pam Ulrich, County Administrator
 Steve Delahousey, HCECC
 Mike Necaise, Comptroller (City of Gulfport)
 William Bragg, Deputy Fire Chief



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM



**Harrison County Emergency
Communications Commission**

15309-B Community Road, Gulfport, Mississippi 39503
Phone (228) 831-0760 • Fax (228) 831-0762
e-mail address: harrison911@co.harrison.ms.us

TO: Mr. Bobby Long

FROM: Robert Bailey *RGB*

RE: Final payment to City of Gulfport

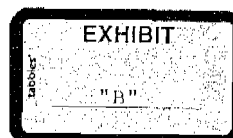
DATE: November 19, 2003

We are now ready to make the final payment to the City of Gulfport for the purchase of the 800 MHz radio system infrastructure. The final payment amount is \$37,633.79. This amount represents infrastructure costs that were not properly assigned for invoices 1 - 7. The separation of costs for these invoices was performed by the City of Gulfport without the assistance of Moses Engineers.

During a final review of the payment schedules by Harrison County, Moses Engineers, and the City of Gulfport the miscalculations by the City of Gulfport were discovered by Moses Engineers. These miscalculations were due to unfamiliarity on the part of the City of Gulfport on how the percentages should be calculated.

The original not to exceed purchase amount for the radio infrastructure as authorized by Harrison County was \$4,465,558.40. The City of Gulfport has currently been paid \$4,359,016.26 for radio infrastructure. The final \$37,633.79 payment will result in a total payment to the City of Gulfport of \$4,396,650.05. This will result in the Gulfport infrastructure being purchased with a savings of \$68,908.35 from the maximum allowed purchase price.

This final payment will complete all financial obligations to the City of Gulfport as required in the contract and allow for the transfer of the radio system infrastructure to Harrison County.



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Nov 19 03 05:45p HARRISON CO 911
MAY 28 2003 2:29PM MOSES ENG NOLA

228-831-0762 P. 1
NO. 9207



May 28, 2003

Mr. Robert "Gil" Bailey
Communications Director
HARRISON COUNTY
EMERGENCY COMMUNICATIONS COMMISSION
15309-B Community Road
Gulfport, MS 39503

REFERENCE: Harrison County Radio Communications System
MEI File No.: 2000-007

SUBJECT: City of Gulfport/Harrison County Invoice Recap

Dear Gil:

We are in receipt of your letter dated May 26, 2003 wherein you request our assistance in reviewing the invoices for the referenced project and ascertaining the amounts attributable to either the City of Gulfport or Harrison County.

Attached is our spreadsheet delineating each of the twenty-eight (28) MA-COM pay requests, the amounts claimed by the City and County, the amounts we believe are the actual responsible entity and their associated variances.

As a matter of record, Payment Request Nos. 1 - 7 were reviewed by the City of Gulfport. Moses Engineers began their review starting with Payment Request No. 8. Payment Request No. 16 was analyzed correctly by Moses Engineers but apparently was not coded correctly when the costs were distributed. The Adjustment at the end was for some user equipment provided to Gulfport but credited back due to deficiencies.

We fully understand the complexity of this issue and therefore are prepared to review each MA-COM invoice with you or your staff to be sure that the costs are correctly distributed. At that time, we can address the \$312,875.12 in question as our analysis only shows the County owing Gulfport \$37,633.39.

We will bring our information to the Gulfport meeting tomorrow at AMR's office.

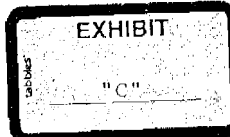
Yours very truly,
MOSES ENGINEERS

Ted H. Moses
THM:sp
Enclosure

cc: Mr. Steve Delahousey, Chairman 911
Mr. Cy Faneca, Legal Counsel, 911

CONSULTING ENGINEERS

Mechanical
Electrical
Telecommunications
909 Poydras Street, Suite 2150
New Orleans, Louisiana 70112-1034
Tel. 504.586-1725
Fax 504.586-1846
email: MOSES@MOSESENGINEERS.com



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

**COMPLETION AGREEMENT BETWEEN THE CITY OF GULFPORT, MISSISSIPPI,
THE HARRISON COUNTY EMERGENCY COMMUNICATIONS COMMISSION AND
HARRISON COUNTY, MISSISSIPPI TO TRANSFER AND DELIVER A FULLY
OPERATIONAL AND TURNKEY 800 MHz TRUNKED RADIO SYSTEM**

THIS AGREEMENT is made and entered into by and between the City of Gulfport, Mississippi (herein "City"), the Harrison County Emergency Communications Commission (herein "HCECC"), and Harrison County (herein County").

WHEREAS, in October of 2000 the City, the HCECC and the County entered into an Agreement whereby the City was to transfer and deliver a fully operational and turnkey 800 MHz Trunked Radio System unto the County and said transfer was to include all system assets, including software, equipment, licenses, towers and accessories contemplated to be purchased, delivered and installed pursuant to a contract the City had with Ericsson, Inc. being the predecessor in interest to M/A-COM Private Radio Systems, Inc. and a detailed description of the property transferred is attached as **Exhibit "A"**; and

WHEREAS, the HCECC and County were to pay to the City for said system, the total amount not to exceed FOUR MILLION FOUR HUNDRED SIXTY FIVE THOUSAND FIVE HUNDRED FIFTY EIGHT DOLLARS and 40/100 (\$4,465,558.40), including all approved change orders; and

WHEREAS, the City has completed, installed, implemented and accepted the 800 MHz Trunked Radio System from M/A-COM Private Radio Systems, Inc. and is prepared to transfer and deliver said system to the County upon receipt of the final installment payment in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79); and

WHEREAS, the HCECC and the County are prepared to make final payment subject to the City agreeing to transfer and deliver merchantable title to the 800 MHz Trunked Radio System to the County.

NOW, THEREFORE, for the mutual consideration herein acknowledged, the City, the HCECC and the County agree as follows:

1. The City hereby transfers to the County merchantable title to the 800 MHz Trunked Radio System, including all system assets, software, equipment, licenses, towers and accessories contemplated to be purchased, delivered, and installed pursuant to a contract the City had with Ericsson, Inc., being the predecessor in interest to M/A-COM Private Radio Systems, Inc. A detailed description of the property transferred is attached as **Exhibit "A"**.
2. The HCECC and County hereby agree to make final payment to the City in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79) which brings the total amount paid under the



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

terms of the contract to FOUR MILLION THREE HUNDRED NINETY SIX THOUSAND SIX HUNDRED FIFTY DOLLARS and 05/100 (\$4,396,650.05).

- 3. City agrees to execute all additional documents required to consummate said transfer, including without limitations Bills of Sale, Assignments or permits, and shall deliver to HCECC all keys, tools, pamphlets, instructions, manuals, software, training materials, licenses or other documents pertinent to the operation and maintenance of the system.

IN WITNESS WHEREOF each of the parties hereto do sign and execute this Agreement on the date hereinafter set forth after having been first duly authorized so to act.

CITY OF GULFPORT, MISSISSIPPI

HARRISON COUNTY EMERGENCY COMMUNICATIONS COMMISSION

BY: _____
Mayor

BY: [Signature]
Advis. Chairman

ATTEST: _____
City Clerk

ATTEST: [Signature]
Secretary

DATE: _____

DATE: 11-20-03

HARRISON COUNTY

BY: _____
President,
Harrison County Board of Supervisors

ATTEST: _____
Clerk

DATE: _____

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

RESOLUTION APPROVING FINAL PAYMENT IN THE AMOUNT OF \$37,633.79 TO
THE CITY OF GULFPORT AND REQUESTING THE BOARD OF SUPERVISORS OF
HARRISON COUNTY, MISSISSIPPI TO MAKE SUCH PAYMENT

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, on the 12th day of October, 2000, the Harrison County Emergency Communications Commission entered into a Memorandum of Agreement for the procurement, construction, installation and transfer of a 800 MHz trunked radio communication system according to a plan to provide county-wide public safety and emergency service in the City of Gulfport and in Harrison County; and

WHEREAS, on the 18th day of October, 2000, the City of Gulfport authorized the aforesaid Memorandum of Agreement; and

WHEREAS, on the 23rd day of October, 2000, the Board of Supervisors of Harrison County, Mississippi, authorized the aforestated Memorandum of Agreement; and

WHEREAS, under the terms of the Memorandum of Agreement, the City of Gulfport, the Harrison County Emergency Communications Commission and Harrison County agreed to share resources to construct, to establish and to administer a County-wide communications system utilizing the design technology, procurement of infrastructure and facilities contracted for by the City of Gulfport; and

WHEREAS, under the terms of the Memorandum of Agreement and amendments thereto, the Harrison County Emergency Communications Commission and Harrison County were to pay



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

the City of Gulfport for all systems and equipment, transfer, assignments, leases, contracts and any and all additional assets or property of every type and character a sum not to exceed FOUR MILLION FOUR HUNDRED SIXTY FIVE THOUSAND FIVE HUNDRED FIFTY EIGHT DOLLARS AND 40/100 (\$4,465,558.40); and

WHEREAS, the Harrison County Emergency Communications Commission and Harrison County has previously paid the City of Gulfport FOUR MILLION THREE HUNDRED FIFTY NINE THOUSAND SIXTEEN DOLLARS and 26/100 (\$4,359,016.26), and the City of Gulfport, Mississippi, has now requested a final payment in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79) pursuant to the terms of the Memorandum of Agreement, as shown on the City of Gulfport's letter, dated October 16, 2003, attached hereto and incorporated herein by reference as **Exhibit "A"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that Communications Coordinator Gil Bailey, has certified that the City of Gulfport is entitled to said payment in the total amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79), as stated in his letter attached hereto and incorporated herein as **Exhibit "B"**, and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that the payment of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79) has been verified by Moses Engineers as stated in the letter attached hereto and incorporated herein as **Exhibit "C"**, and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find the City of Gulfport has agreed to the terms and conditions of the Completion

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Agreement which transfers and delivers a fully operational and turnkey 800 MHz trunked radio system from the City of Gulfport to the Harrison County Emergency Communications Commission and Harrison County, a copy of this Completion Agreement being attached hereto as **Exhibit "D"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission recommends to the Harrison County Board of Supervisors that they approve the final payment to the City of Gulfport in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79) and that they authorize the execution of the Completion Agreement;

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Harrison County Emergency Communications Commission as follows:

SECTION 1

The Harrison County Emergency Communications commission respectfully requests the Harrison County Board of Supervisors to authorize and approve final payment to the City of Gulfport as stated in their letter, dated October 16, 2003, in the amount of THIRTY SEVEN THOUSAND SIX HUNDRED THIRTY THREE DOLLARS and 79/100 (\$37,633.79), a copy of which is attached hereto and incorporated herein as **Exhibit "A"** which brings the total amount paid to the City of Gulfport to FOUR MILLION THREE HUNDRED NINETY SIX THOUSAND SIX HUNDRED FIFTY DOLLARS and 05/100 (\$4,396,650.05).

SECTION 2

The Harrison County Emergency Communications Commission authorizes and approves the Completion Agreement which conveys a fully operational and turnkey 800 MHz trunked radio

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system from the City of Gulfport to the Harrison County Emergency Communications Commission and Harrison County and authorizes and directs the Chairman of the Commission to execute said Agreement as an act of and on behalf of the Harrison County Emergency Commissions Commission, a copy of this Completion Agreement being attached hereto as **Exhibit "D."**

SECTION 3

The Harrison County Emergency Communications Commission respectfully requests the Harrison County Board of Supervisors authorize and approve the Completion Agreement which conveys a fully operational and turnkey 800 MHz trunked radio system from the City of Gulfport to the Harrison County Emergency Communications commission and Harrison County, a copy of this Completion Agreement being attached hereto as **Exhibit "D"**.

The above and foregoing Resolution was introduced by Commissioner BORSIG, who moved the adoption of same. Said Motion was seconded by Commissioner BASS. Upon being put to vote, the results were as follows:

Chief GEORGE BASS, Long Beach Fire Department	<u>AYE</u>
Major LOU BISSONNETTE, Harrison County Sheriff's Department	<u>AYE</u>
JIM BORSIG, CAO for the City of Biloxi	<u>AYE</u>
MELVIN BRILOSARA, Harrison County at Large	<u>AYE</u>
Commander RANDY BROWN, Gulfport Police Department	<u>AYE</u>
STEVE DELAHOUSEY, Emergency Medical Services	<u>ABSENT</u>
Chief JOHN DUBUISSON, Pass Christian Police Department	<u>AYE</u>

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WHEREUPON, Chairman Steve Delahousey declared the motion carried and the Resolution approving the final payment to the City of Gulfport adopted on the 20th day of November, 2003.

**HARRISON COUNTY EMERGENCY
COMMUNICATIONS COMMISSION**

BY: 

ATTEST:



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(SUPERVISOR ELEUTERIUS WAS OUT ON THE VOTE.)

ORDER AUTHORIZING PURCHASE OF
END-USER EQUIPMENT FOR COUNTY-WIDE PUBLIC SAFETY
COMMUNICATIONS SYSTEM FROM THE CITY OF GULFPORT, MISSISSIPPI

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under the authority of Section 19-5-305, Mississippi Code of 1972 Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to Sections 19-5-301, et seq., Mississippi Code of 1972 Annotated, as amended; and

WHEREAS, the Board of Supervisors of Harrison County and the Governing Authority for the City of Gulfport found by Resolutions, dated July 14, 2003, and April 22, 2003, respectfully, that the consolidated county-wide communications project is in the best interest of the citizens and public safety personnel of the City of Gulfport and of Harrison County, copies of these Resolutions are attached hereto as **Exhibit "A"**; and

WHEREAS, on April 22, 2003, the Board of Supervisors of Harrison County and the Governing Authority for the City of Gulfport entered into an Interlocal Cooperation Agreement to further implement a consolidated county-wide communications system and to establish a method by which Harrison County and the City of Gulfport could share the costs of purchasing the end-user equipment needed by the City of Gulfport for the communications system, a copy of this Interlocal Cooperation Agreement is included in **Exhibit "A"**; and

WHEREAS, under the provisions of the Interlocal Cooperation Agreement, the County and/or the Harrison County Emergency Communications Commission agreed to purchase seventy

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percent (70%) of the total amount of end-user equipment recommended by the 2003 Needs Assessment Study, not to exceed \$1,326,780.00; and

WHEREAS, the equipment list attached as **Exhibit "A"** to the Interlocal Cooperative Agreement has been updated and the updated version is included in **Exhibit "B,"** attached hereto; and

WHEREAS, the City of Gulfport and the staff of the Harrison County Emergency Communications Commission have verified that the total amount due the City of Gulfport from Harrison County, pursuant to the terms of the Interlocal Cooperation Agreement is ONE MILLION THREE HUNDRED TWENTY SIX THOUSAND SIX HUNDRED NINETY SEVEN DOLLARS and 50/100 (\$1,326,697.50), a copy of the final costs for the equipment is included in **Exhibit "B,"** and

WHEREAS, the Harrison County Emergency Communications Commission approved by Resolution, dated October 16, 2003, the purchase of End-User Equipment for county-wide public safety communications system from the City of Gulfport, Mississippi, but said Resolution inadvertently identified the amount being due as \$1,326,774.00 rather than the correct amount of \$1,326,697.50, as reflected in **Exhibit "B,"** said Resolution attached hereto and incorporated herein as **Exhibit "C,"** and

WHEREAS, the Board of Supervisors of Harrison County find that the City of Gulfport, Mississippi is entitled to said payment in the amount of ONE MILLION THREE HUNDRED TWENTY SIX THOUSAND SIX HUNDRED NINETY SEVEN DOLLARS and 50/100 (\$1,326,697.50) from Harrison County in accordance with the Interlocal Cooperative Agreement;

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NOW, THEREFORE, BE IT ORDERED by the Supervisors of the Harrison County Board of Supervisors as follows:

SECTION 1

The purchase of the end-user radio equipment identified in Exhibit "B" attached hereto at a cost of ONE MILLION THREE HUNDRED TWENTY SIX THOUSAND SIX HUNDRED NINETY SEVEN DOLLARS and 50/100 (\$1,326,697.50) is consistent with the requirements of the Interlocal Cooperative Agreement between the Harrison County Board of Supervisors and the Governing Authority for the City of Gulfport.

SECTION 2

The Harrison County Board of Supervisors authorize and approve the payment to the City of Gulfport in the amount of ONE MILLION THREE HUNDRED TWENTY SIX THOUSAND SIX HUNDRED NINETY SEVEN DOLLARS and 50/100 (\$1,326,697.50).

The above and foregoing Order pertaining to purchasing end-user equipment from the City of Gulfport, Mississippi, was introduced by Supervisor Benefield, who moved the adoption of same. Said Motion was seconded by Supervisor Rockco. Upon being put to vote, the results were as follows:

Supervisor BOBBY BLEUTERIUS voted	(OUT ON VOTE)
Supervisor LARRY BENEFIELD voted	<u>AYE</u>
Supervisor MARLIN LADNER voted	<u>AYE</u>
Supervisor WILLIAM MARTIN voted	<u>ABSENT & EXCUSED</u>
Supervisor CONNIE ROCKCO voted	<u>AYE</u>

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The motion authorizing the purchase of end-user equipment for county-wide public safety communications system from the City of Gulfport, Mississippi, having received the affirmative vote of a majority of the members present, the President of the Governing Body declared the motion carried and the Order adopted, on this the 8th day of December, 2003.

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**INTERLOCAL COOPERATION AGREEMENT
BETWEEN HARRISON COUNTY AND THE CITY OF GULFPORT
MISSISSIPPI, TO PURCHASE END USER EQUIPMENT
FOR THE COUNTY-WIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM**

This Interlocal Cooperation Agreement is made and entered into by and between Harrison County, Mississippi, (the ACounty@), and the City of Gulfport, Mississippi (AMunicipality@) in accordance with and pursuant to the provisions of the Interlocal Cooperation Act of 1974, '17-31-1, et seq., Mississippi Code of 1972, as amended (the ACode@).

1. DURATION. The term of this Agreement shall commence on the date this Agreement is approved by the Attorney General of the State of Mississippi (the AAttorney General@) as provided for in '17-13-11 of the Code and shall end ten (10) years thereafter unless terminated or extended as provided for hereinafter. In the event the Attorney General disapproves this Agreement, it shall be null and void ab initio.
2. PURPOSE. The County and all Municipalities within the County, through the Harrison County Emergency Communications Commission, are implementing a County-wide communications system for all public safety entities operating within Harrison County. For purposes of this Agreement, public safety entities are defined as police, fire service, emergency medical service, 911 communications, emergency management (Civil Defense) and Medical Examiner. The purpose of this Agreement is to establish a method by which the parties to this Agreement can share the costs of purchasing the end-user equipment needed to implement the system and to otherwise set forth the various responsibilities of the parties. The quantities and types of end-used equipment have been determined by the 2003 Needs Assessment prepared by the

EXHIBIT

"A"

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Harrison County Emergency Communications Commission, a copy of which is attached hereto as **Exhibit A1**" and incorporated herein. The County Agrees to provide seventy percent (70%) of the costs of the equipment as set forth in this Agreement and the Municipality agrees to be responsible for the remaining thirty percent (30%). It is expressly understood that the County's portion of the costs shall be capped at \$1,326,780.00. In the event the Municipality determines that it does not need all the equipment as set forth in the needs assessment, then this reduction in need must be verified and approved by the Harrison County Emergency Communications Commission.

3. CITATION OF STATUTORY AUTHORITY. Harrison County is a political subdivision of the State of Mississippi whose powers and authorities are set forth generally in Title 19 of the Code, the specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof. Gulfport is a municipal corporation whose powers are set forth generally in Title 21 of the Code. The specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof.
4. FINANCING. Financing of the County's portion of the costs for this equipment shall be from funds received by the County from excess proceeds of the emergency telephone service charges assessed by the county as provided for in Section 19-5-313 of the code and by loan proceeds received from the Mississippi Development Bank. The

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loan proceeds in the amount of \$15,000,000.00 was and is primarily being used to purchase the infrastructure equipment necessary to operate the communications system.

The Municipality's portion of the costs shall be paid from its general fund monies or other funds which may be available for this purpose. There will be no joint funds to be administered pursuant to this Agreement.

5. TERMINATION OF AMENDMENT. Amendments to the Agreement may be made with the consent and approval of both parties. The Agreement can be terminated at any time by the official action of either party provided the other party is given at least three hundred sixty-five (365) days written notice of the termination.
6. ADMINISTRATION. This joint undertaking shall be administered by the Harrison County Emergency Communications Commission.
7. GENERAL PROVISIONS.
 - 7.1. The Municipality has previously purchased all the end-user equipment identified in the 2003 Needs Assessment Study (**Exhibit A1**). The County and/or the Harrison County Emergency Communications Commission agrees to purchase from the Municipality seventy percent (70%) of the total amount end-user equipment recommended by the 2003 Needs Assessment Study not to exceed \$1,326,780.00. A listing of the equipment subject to the purchase is attached as **Exhibit A2**.
 - 7.2. The purchase of additional radios and ancillary equipment shall be the responsibility of the Municipality and the same shall meet the specifications established by the Harrison County Emergency Communications Commission.

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- 7.3. All equipment purchased with County funds will remain the property of the County even though it may be assigned to the Municipality. The County shall be responsible for maintaining an accurate inventory of this equipment. All equipment purchased with funds from the Municipality shall remain the property of the Municipality and it shall maintain an accurate inventory of same. In the event this Agreement is terminated, the property shall be returned to the party owning same.
- 7.4. The Municipality agrees to be responsible for all expenses associated with both the end-user equipment owned by the County which is assigned to the Municipality and the equipment owned by the Municipality. This includes, but is not limited to the following: maintenance costs; insurance; repairs; replacements; and upgrades.
- 7.5. The Municipality agrees to maintain the end-user equipment purchased by the County and assigned to the Municipality in good working order. In the event any of this equipment is lost or destroyed, the Municipality shall replace same at its expense and the same shall be deemed to be County equipment.
- 7.6. Until the County provides a consolidated dispatch facility, the County agrees to provide an adequate amount of infrastructure equipment to continue using existing dispatch centers. The amount of infrastructure equipment shall be determined by the Harrison County Emergency Communications Commission. The County shall be responsible for one hundred percent (100%) of the costs of said equipment including the initial purchase, maintenance costs, insurance, repairs, replacement, and/or upgrades. Any damage to the equipment, other than

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ordinary wear and tear, shall be the responsibility of the Municipality.

- 7.7. All infrastructure equipment purchased by the County and/or Harrison County Emergency Communications Commission and assigned to the Municipality shall remain the property of the County and shall be returned to the County upon the termination of this Agreement.
- 7.8. All property purchased pursuant to the terms of this Agreement shall be used exclusively for the purposes outlined in Miss. Code Ann. ' 19-5-301, et. seq., and as established by the Rules and Regulations of the Harrison County Emergency Communications Commission. All equipment being used inconsistent with this paragraph shall be surrendered to the Harrison County Emergency Communications Commission upon their request.
- 7.9. Prior to the purchase of any equipment by the County, the Municipality must pass a Resolution supporting and agreeing to participate in the consolidated County-wide communications project including the establishment of a consolidated communications dispatch center.
- 7.10. If this communications system which was developed solely for the purposes outlined in Miss. Code Ann. ' 19-5-301, et seq., should have excess capacity and if the Municipality desires to utilize that capacity for a non-public safety purpose, then the Municipality may be allowed to use the system for that purpose subject to the following conditions: the usage must be approved by the Harrison County Emergency Communications Commission; the Municipality must pay the direct costs associated with that use; and the use shall be discontinued when the excess capacity is needed by a public safety entity as determined by the Harrison County

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Emergency Communications Commission. The Municipality may also be authorized to add additional capacity to the system at its expense for non-public safety use and subject to the approval of the Harrison County Emergency Communications Commission.

- 7.11 This agreement was not intended to supersede, modify or affect any obligations between the parties under pre-existing covenants, agreements or contracts related to the communications system. In the event an irreconcilable conflict should arise with other agreements, then the provisions of this agreement should control.

8. MISCELLANEOUS PROVISIONS.

- 8.01. Governing Law. This Agreement shall be governed by and construed in accordance with the provisions of the laws of the State of Mississippi.
- 8.02. Severability. If any provision of this Agreement or the application of any provision to any person or circumstance is or become invalid or unenforceable to any extent, then the remainder of this Agreement and the application of such provisions to any other person or circumstances shall not be affected by such invalidity or un-enforceability and shall be enforced to the greatest extent permitted by law.
- 8.03. Counterparts/Entire Agreement. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. This Agreement contains the sole and entire understanding between and among the parties hereto with respect to the subject matter hereof. All promises, inducements, offers, letters of intent, solicitation, agreements, commitments, representations and warranties made

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between such parties prior to this Agreement are superseded by this Agreement.

8.04. Captions. Captions, Sections and Article headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope of this Agreement nor the intent of any provision hereof.

WITNESSETH the signatures of the parties, this the 22 day of April, 2003.

HARRISON COUNTY

CITY OF Gulfport

By: Mark J. Salmer
President

By: Ken Jomb
Mayor

Attest: [Signature]
Clerk

Attest: [Signature]
Clerk

Attest: _____
Chancery Clerk

GULFPORT FIRE DEPARTMENT (911 70% = \$267,330.00 Maximum)					
GULFPORT BID PRICING					
PORTABLE RADIOS - 54					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
11	H9S66XE	LPE-200 Premium SYSTEM w/128 Systems/Groups	\$2,490.00	\$1,867.50	\$20,542.50
11		Orion ProVoice Upgrade including installation		\$547.50	\$6,022.50
47	H9S65XE	LPE-200 Premium Scan w/128 Systems/Groups	\$2,190.00	\$1,642.50	\$77,197.50
101	H9FH	LPE-200 High Capacity Battery, Intrinsically Safe	\$188.00	\$141.00	\$14,241.00
0		LPE-200 Medium Capacity Battery, Intrinsically Safe	\$172.00	\$129.00	\$0.00
53	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$4,872.00
53	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$7,395.00
59	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,088.75
58	PROG	Radio Programming	\$52.50	\$52.50	\$3,045.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$138,404.25
UPDATED 10/11/03					
MOBILE RADIOS - 49					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
6	D28LPXE	EDACS Orion 12 Watt Radio Unit - Front Mount /	\$3,170.00	\$2,377.50	\$14,265.00
		System Control Head / Mic / Antenna - Per bid sheet			
2		Orion ProVoice Upgrade including installation		\$547.50	\$1,095.00
6	INST-RM	Rear Mount Installation & Programming - Per Bid Sheet		\$352.50	\$2,115.00
43	D28LTXE	EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control	\$2,970.00	\$2,227.50	\$95,782.50
		Head / Mic / Antenna - Per Bid Sheet			
43	INST-FM	Front Mount Installation & Programming - Per Bid Sheet		\$240.00	\$10,320.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$123,577.50
UPDATED 10/11/03					

EXHIBIT
 A1
Tables

CONTROL STATIONS					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00
1	D28LTXE	EDACS Orion 12 Watt Radio Unit	\$2,320.00	\$1,740.00	\$1,740.00
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25
1	AW204959-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50
1	Harger 588	18 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25
1	INST-CS	Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25
1	PROG	Radio Programming	\$52.50	\$47.25	\$47.25
TOTAL PRICE FOR CONTROL STATION, INSTALLED				\$5,346.00	\$5,346.00
GRAND TOTAL REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT FIRE DEPARTMENT					\$267,327.75
UPDATED 10/11/03					
Approved:		Approved:			
Gulfport Fire Department		Harrison County 911 Commission			

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GULFPORT FIRE DEPARTMENT (30% = \$114,570.00)					
GULFPORT BID PRICING					
PORTABLE RADIOS - 41					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
0	H9S86XE	LPE-200 Premium SYSTEM w/128 Systems/Groups	\$2,490.00	\$1,867.50	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
41	H9S85XE	LPE-200 Premium Scan w/128 Systems/Groups	\$2,190.00	\$1,642.50	\$67,342.50
0	H9FH	LPE-200 High Capacity Battery, Intrinsically Safe	\$188.00	\$141.00	\$0.00
72		LPE-200 Medium Capacity Battery, Intrinsically Safe	\$172.00	\$129.00	\$9,288.00
41	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$3,444.00
41	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$5,227.50
41	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$3,536.25
41	PROG	Radio Programming	\$52.50	\$52.50	\$2,152.50
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$90,990.75
UPDATED 10/11/03					
MOBILE RADIOS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
0	D28LPXE	EDACS Orion 12 Watt Radio Unit - Front Mount / System Control Head / Mic / Antenna - Per bid sheet	\$3,170.00	\$2,377.50	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
0	INST-RM	Rear Mount Installation & Programming - Per Bid Sheet		\$352.50	\$0.00
0	D28LTXE	EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$0.00
0	INST-FM	Front Mount Installation & Programming - Per Bid Sheet		\$240.00	\$0.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$0.00
UPDATED 10/11/03					

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CONTROL STATIONS - 0						
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST	
0	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$0.00	
0	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$0.00	
0	D28LTXE	EDACS Orion 12 Watt Radio Unit	\$2,320.00	\$1,740.00	\$0.00	
0	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$0.00	
0	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$0.00	
0	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$0.00	
0	D2MCEA	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$0.00	
0	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$0.00	
0	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$0.00	
0	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Heliax	\$51.50	\$46.35	\$0.00	
0	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Heliax Cable	\$62.50	\$56.25	\$0.00	
0	AW204989-1	Grounding Kit for 1/2" Heliax Cable	\$23.00	\$20.70	\$0.00	
0	AWL4NM	Connector for 1/2" Heliax Cable, Type N Male	\$32.00	\$28.80	\$0.00	
0	AWL4NF	Connector for 1/2" Heliax Cable, Type N Female	\$32.00	\$28.80	\$0.00	
0	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$0.00	
0	F1PNW-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$0.00	
0	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$0.00	
0	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$0.00	
0	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$0.00	
0	INST-CS	Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$0.00	
0	PROG	Radio Programming	\$52.50	\$47.25	\$0.00	
		TOTAL PRICE FOR CONTROL STATION, INSTALLED		\$5,346.00	\$0.00	
GRAND TOTAL REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT FIRE DEPARTMENT					\$90,990.75	
UPDATED 10/11/03						
Approved:		Approved:				
Gulfport Fire Department		Harrison County 911 Commission				

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

HARRISON COUNTY 911 COMMISSION
END-USER RADIO EQUIPMENT ORDER FORM AND INSTRUCTIONS

Agency: Gulfport Fire Department

Date: 28-Mar-03

Maximum amount of funds available from 911 Commission (70%) \$267,330.00

Minimum amount to be expended by participating entity (30%) \$114,570.00

INSTRUCTIONS, RULES AND REGULATIONS:

1. The Harrison County 911 Commission will expend funds for purchase of end-user radio equipment not to exceed an amount which is 70% of the total amount recommended by the
2. The participating entity will expend funds for purchase of end-user radio equipment at a minimum amount of 30% of the total amount recommended by the Commission's needs assessment.
3. All end-user equipment purchased with Commission funds and entity funds must meet specifications established by the Commission so as to insure compatibility and interoperability.
4. The Commission will provide recommended types and quantities of equipment to be purchased with Commission and entity funds. These recommendations are based on the Commission's needs assessment.
5. While it is suggested that the participating entities adhere to the recommendations of the commission regarding types and quantities, they may modify their order with the following stipulations:
 - A. All equipment must be approved by the Commission.
 - B. Total quantities of equipment must meet the essential needs of the participating entity, as determined by the 911 Commission.
6. The 911 Commission will not issue any end-user equipment to participating entities until the Commission is satisfied that the entity has fulfilled its obligation of ordering enough equipment to satisfy the essential needs of the participating entity.
7. All equipment purchased with 911 Commission funds will remain property of Harrison County even though it may be assigned to participating entities.
8. All equipment purchased with funds from participating entities will remain property of the participating entity.
9. Maintenance, insurance, repair and replacement of equipment issued to eligible entities will become the responsibility of the end-user entity.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

10. The governing bodies of entities participating in this program must pass resolutions to support and participate in the consolidated county-wide communications project. These resolutions must be properly executed prior to ordering any equipment.

11. The 911 Commission will establish policies, procedures, rules and regulations to be used by all entities who participate in the 911 Commission's telecommunications projects.

12. All entities that participate in the 911 Commission's telecommunications projects will comply with training and certification requirements for users and telecommunicators.

13. No user will be allowed access to the 911 Commission's radio system without authorization from the Commission. The Commission reserves the right to regulate and restrict use of its radio system.

14. Participating entities should complete the attached order forms and return them to the 911 Commission for review and approval.

15. The interim public safety telecommunications plan provides for each participating entity to be responsible for its own dispatching. During this interim period, until there is dispatch consolidation, each participating entity that utilizes Commission equipment, must agree to provide emergency mutual aid dispatching back-up services to other public safety entities.

GULFPORT POLICE DEPARTMENT (911 70% Maximum = \$1,059,450.00)					
CITY OF GULFPORT BID PRICES					
PORTABLE RADIOS - 66					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
66	H9P86XE	LPE-200 ProVoice Premium System w/128 Sys/Grps/DES	\$3,640.00	\$2,730.00	\$180,180.00
0	H9P85XE	LPE-200 ProVoice Premium Scan w/128 Systems/Groups	\$2,840.00	\$2,130.00	\$0.00
0	H9NC1K	LPE-200 Antenna - included w/radio in original purchase price	\$20.00	\$15.00	\$0.00
20	H9PA7L	LPE-200 High Capacity Battery - Total number ordered	\$168.00	\$141.00	\$2,820.00
109		LPE - 200 Medium Capacity Batery	\$172.00	\$129.00	\$14,061.00
66	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$5,544.00
66	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$8,415.00
66	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,692.50
66	PROG	Radio Programming		\$52.50	\$3,465.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$220,177.50
UPDATED 10/11/03					
MOBILE RADIOS - 250					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
20	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Rear Mount / DES / System Control Head / Mic / Antenna- Per bid sheet	\$4,515.00	\$3,386.25	\$67,725.00
20	INST	Rear Mount Install - Includes Programming		\$240.00	\$4,800.00
80	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Front Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,370.00	\$3,277.50	\$262,200.00
150		EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$334,125.00
150		Orion ProVoice Upgrade including installation		\$547.50	\$82,125.00
230	INST-D	Front Mount Installation - Includes Programming		\$195.00	\$44,850.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$795,825.00
UPDATED 10/11/03					

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

MOTORCYCLE RADIOS - 10					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
10		EDACS Orion 12 Watt Radio Unit - Motorcycle Mount / Scan		\$2,966.25	\$29,662.50
		Head / Mic / Antenna - Per Bid Sheet			
10	INST-M	Special Motorcycle Installation / Radio Programming		\$240.00	\$2,400.00
10		Orion ProVoice Upgrade including installation		\$547.50	\$5,475.00
		TOTAL REIMBURSEMENT FOR MOTORCYCLE RADIOS, INSTALLED		\$3,753.75	\$37,537.50
		UPDATED 10/11/03			

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

CONTROL STATIONS - 1						
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST	
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75	
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00	
1	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit	\$2,970.00	\$2,227.50	\$2,227.50	
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00	
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50	
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75	
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00	
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20	
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00	
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35	
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25	
1	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70	
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80	
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80	
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70	
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50	
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50	
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45	
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25	
1		Assemble Orion into Cabinet and install, Complete	\$622.50	\$560.25	\$560.25	
1		Radio Programming	\$52.50	\$47.25	\$47.25	
		TOTAL REIMBURSEMENT FOR CONTROL STATION, INSTALLED		\$5,833.50	\$5,833.50	
GRAND TOTAL OF REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT POLICE DEPARTMENT					\$1,059,373.50	
UPDATED 10/11/03						
Approved: _____		Approved: _____				
Gulfport Police Department		Harrison County 911 Commission				

GULFPORT POLICE DEPARTMENT (30% Minimum Match = \$454,050.00)					
CITY OF GULFPORT BID PRICES					
PORTABLE RADIOS - 141					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
34	H9P86XE	LPE-200 ProVoice Premium System w/128 Sys/Grps/DES	\$3,640.00	\$2,730.00	\$92,820.00
107	H9P85XE	LPE-200 ProVoice Premium Scan w/128 Systems/Groups	\$2,840.00	\$2,130.00	\$227,910.00
0	H9NC1K	LPE-200 Antenna - Included w/radio in original purchase price	\$20.00	\$15.00	\$0.00
0	H9PA7L	LPE-200 High Capacity Battery - Total number ordered	\$188.00	\$141.00	\$0.00
285		LPE - 200 Medium Capacity Batery	\$172.00	\$129.00	\$36,765.00
141	H9HC7J	LPE-200 Leather Case with Swivel Mount & Bell Loop	\$112.00	\$84.00	\$11,844.00
141	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$17,977.50
141	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$12,161.25
141	PROG	Radio Programming		\$52.50	\$7,402.50
		TOTAL FOR PORTABLES AND ACCESSORIES			\$406,880.25
		UPDATED 10/11/03			
MOBILE RADIOS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
0	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Rear Mount / DES / System Control Head / Mic / Antenna- Per bid sheet	\$4,515.00	\$3,386.25	\$0.00
0	INST	Rear Mount Install - Includes Programming		\$240.00	\$0.00
0	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Front Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,370.00	\$3,277.50	\$0.00
0		EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
0	INST-D	Front Mount Installation - Includes Programming		\$195.00	\$0.00
		TOTAL FOR MOBILES, INSTALLED			\$0.00
		UPDATED 10/11/03			

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

MOTORCYCLE RADIOS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
0		EDACS Orion 12 Watt Radio Unit - Motorcycle Mount / Scan Head / Mic / Antenna - Per Bid Sheet		\$2,966.25	\$0.00
0	INST-M	Special Motorcycle Installation / Radio Programming		\$240.00	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
		TOTAL FOR MOTORCYCLE RADIOS, INSTALLED		\$3,753.75	\$0.00
		UPDATED 10/11/03			

MINUTES
 BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
 DECEMBER 2003 TERM

CONTROL STATIONS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
0	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$0.00
0	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$0.00
0	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit	\$2,970.00	\$2,227.50	\$0.00
0	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$0.00
0	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$0.00
0	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$0.00
0	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$0.00
0	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$0.00
0	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$0.00
0	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Heliax	\$51.50	\$46.35	\$0.00
0	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Heliax Cable	\$62.50	\$56.25	\$0.00
0	AW204989-1	Grounding Kit for 1/2" Heliax Cable	\$23.00	\$20.70	\$0.00
0	AWL4NM	Connector for 1/2" Heliax Cable, Type N Male	\$32.00	\$28.80	\$0.00
0	AWL4NF	Connector for 1/2" Heliax Cable, Type N Female	\$32.00	\$28.80	\$0.00
0	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$0.00
0	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$0.00
0	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$0.00
0	Harger 568	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$0.00
0	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$0.00
0		Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$0.00
0		Radio Programming	\$52.50	\$47.25	\$0.00
		TOTAL FOR CONTROL STATION, INSTALLED		\$5,833.50	\$0.00
GRAND TOTAL OF USER EQUIPMENT FOR GULFPORT POLICE DEPARTMENT					\$406,880.25
UPDATED 10/11/03					
Approved: _____		Approved: _____			
Gulfport Police Department		Harrison County 911 Commission			

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

HARRISON COUNTY 911 COMMISSION
END-USER RADIO EQUIPMENT ORDER FORM AND INSTRUCTIONS

Agency: Gulfport Police Department

Date: 28-Mar-03

Maximum amount of funds available from 911 Commission (70%) \$1,059,450.00

Minimum amount to be expended by participating entity (30%) \$454,050.00

INSTRUCTIONS, RULES AND REGULATIONS

1. The Harrison County 911 Commission will expend funds for purchase of end-user radio equipment not to exceed an amount which is 70% of the total amount recommended by the
2. The participating entity will expend funds for purchase of end-user radio equipment at a minimum amount of 30% of the total amount recommended by the Commission's needs assessment.
3. All end-user equipment purchased with Commission funds and entity funds must meet specifications established by the Commission so as to insure compatibility and interoperability.
4. The Commission will provide recommended types and quantities of equipment to be purchased with Commission and entity funds. These recommendations are based on the Commission's needs assessment.
5. While it is suggested that the participating entities adhere to the recommendations of the commission regarding types and quantities, they may modify their order with the following stipulations:
 - A. All equipment must be approved by the Commission.
 - B. Total quantities of equipment must meet the essential needs of the participating entity, as determined by the 911 Commission.
6. The 911 Commission will not issue any end-user equipment to participating entities until the Commission is satisfied that the entity has fulfilled its obligation of ordering enough equipment to satisfy the essential needs of the participating entity.
7. All equipment purchased with 911 Commission funds will remain property of Harrison County even though it may be assigned to participating entities.
8. All equipment purchased with funds from participating entities will remain property of the participating entity.
9. Maintenance, insurance, repair and replacement of equipment issued to eligible entities will become the responsibility of the end-user entity.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

10. The governing bodies of entities participating in this program must pass resolutions to support and participate in the consolidated county-wide communications project. These resolutions must be properly executed prior to ordering any equipment.

11. The 911 Commission will establish policies, procedures, rules and regulations to be used by all entities who participate in the 911 Commission's telecommunications projects.

12. All entities that participate in the 911 Commission's telecommunications projects will comply with training and certification requirements for users and telecommunicators.

13. No user will be allowed access to the 911 Commission's radio system without authorization from the Commission. The Commission reserves the right to regulate and restrict use of its radio system.

14. Participating entities should complete the attached order forms and return them to the 911 Commission for review and approval.

15. The interim public safety telecommunications plan provides for each participating entity to be responsible for its own dispatching. During this interim period, until there is dispatch consolidation, each participating entity that utilizes Commission equipment, must agree to provide emergency mutual aid dispatching back-up services to other public safety entities.

MINUTES
 BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
 DECEMBER 2003 TERM

GULFPORT POLICE DEPARTMENT (911 70% Maximum = \$1,059,450.00)					
CITY OF GULFPORT BID PRICES					
PORTABLE RADIOS - 66					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
66	H9P86XE	LPE-200 ProVoice Premium System w/128 Sys/Grps/DES	\$3,640.00	\$2,730.00	\$180,180.00
0	H9P85XE	LPE-200 ProVoice Premium Scan w/128 Systems/Groups	\$2,840.00	\$2,130.00	\$0.00
0	H9NC1K	LPE-200 Antenna - Included w/radio in original purchase price	\$20.00	\$15.00	\$0.00
20	H9PA7L	LPE-200 High Capacity Battery - Total number ordered	\$188.00	\$141.00	\$2,820.00
109		LPE - 200 Medium Capacity Batery	\$172.00	\$129.00	\$14,061.00
66	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$5,544.00
66	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$8,415.00
66	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,692.50
66	PROG	Radio Programming		\$52.50	\$3,465.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$220,177.50
UPDATED 10/11/03					
MOBILE RADIOS - 250					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
20	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Rear Mount / DES/ System Control Head / Mic / Antenna - Per bid sheet	\$4,515.00	\$3,386.25	\$67,725.00
20	INST	Rear Mount Install - Includes Programming		\$240.00	\$4,800.00
80	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Front Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,370.00	\$3,277.50	\$262,200.00
150		EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$334,125.00
150		Orion ProVoice Upgrade including installation		\$547.50	\$82,125.00
230	INST-D	Front Mount Installation - Includes Programming		\$195.00	\$44,850.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$795,825.00
UPDATED 10/11/03					

EXHIBIT
"A2"

MOTORCYCLE RADIOS - 10					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
10		EDACS Orion 12 Watt Radio Unit - Motorcycle Mount / Scan Head / Mic / Antenna - Per Bid Sheet		\$2,966.25	\$29,662.50
10	INST-M	Special Motorcycle Installation / Radio Programming		\$240.00	\$2,400.00
10		Orion ProVoice Upgrade including installation		\$547.50	\$5,475.00
TOTAL REIMBURSEMENT FOR MOTORCYCLE RADIOS, INSTALLED				\$3,753.75	\$37,537.50
UPDATED 10/11/03					

M I N U T E S
 BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
 DECEMBER 2003 TERM

CONTROL STATIONS - 1					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00
1	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit	\$2,970.00	\$2,227.50	\$2,227.50
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25
1	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25
1		Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25
1		Radio Programming	\$52.50	\$47.25	\$47.25
		TOTAL REIMBURSEMENT FOR CONTROL STATION, INSTALLED		\$5,833.50	\$5,833.50
GRAND TOTAL OF REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT POLICE DEPARTMENT					\$1,059,373.50
UPDATED 10/11/03					
Approved: _____		Approved: _____			
Gulfport Police Department		Harrison County 911 Commission			

GULFPORT FIRE DEPARTMENT (911 70% = \$267,330.00 Maximum)					
GULFPORT BID PRICING					
PORTABLE RADIOS - 54					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
11	H9S86XE	LPE-200 Premium SYSTEM w/128 Systems/Groups	\$2,490.00	\$1,867.50	\$20,542.50
11		Orion ProVoice Upgrade including installation		\$547.50	\$6,022.50
47	H9S85XE	LPE-200 Premium Scan w/128 Systems/Groups	\$2,190.00	\$1,642.50	\$77,197.50
101	H9FH	LPE-200 High Capacity Battery, Intrinsically Safe	\$138.00	\$141.00	\$14,241.00
0		LPE-200 Medium Capacity Battery, Intrinsically Safe	\$172.00	\$129.00	\$0.00
58	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$4,872.00
58	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$7,395.00
59	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,088.75
58	PROG	Radio Programming	\$52.50	\$52.50	\$3,045.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$138,404.25
UPDATED 10/11/03					
MOBILE RADIOS - 49					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
6	D28LPXE	EDACS Orion 12 Watt Radio Unit - Front Mount / System Control Head / Mic / Antenna - Per bid sheet	\$3,170.00	\$2,377.50	\$14,265.00
2		Orion ProVoice Upgrade including installation		\$547.50	\$1,095.00
6	INST-RM	Rear Mount Installation & Programming - Per Bid Sheet		\$352.50	\$2,115.00
43	D28LTXE	EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$95,782.50
43	INST-FM	Front Mount Installation & Programming - Per Bid Sheet		\$240.00	\$10,320.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$123,577.50
UPDATED 10/11/03					

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CONTROL STATIONS					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00
1	D28LTXE	EDACS Orion 12 Watt Radio Unit	\$2,320.00	\$1,740.00	\$1,740.00
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00
1	40658A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25
1	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25
1	INST-CS	Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25
1	PROG	Radio Programming	\$52.50	\$47.25	\$47.25
TOTAL PRICE FOR CONTROL STATION, INSTALLED				\$5,346.00	\$5,346.00
GRAND TOTAL REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT FIRE DEPARTMENT					\$267,327.75
UPDATED 10/11/03					
Approved: _____		Approved: _____			
Gulfport Fire Department		Harrison County 911 Commission			

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There came on for consideration at a duly constituted meeting of the Mayor and members of the City Council of the City of Gulfport, Mississippi, held on the 22nd day of April, 2003, the following Resolution:

**A RESOLUTION BY THE GULFPORT CITY COUNCIL TO APPROVE AND
AUTHORIZE EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT
BETWEEN THE CITY OF GULFPORT, MISSISSIPPI, AND HARRISON COUNTY, TO
PURCHASE END-USER EQUIPMENT FOR THE COUNTY-WIDE PUBLIC SAFETY
COMMUNICATIONS SYSTEM AND TO REAFFIRM THE CITY OF GULFPORT'S
SUPPORT FOR A CONSOLIDATED PUBLIC SAFETY COMMUNICATION
DISPATCH FACILITY**

WHEREAS, the City of Gulfport, Mississippi, and Harrison County desire to enter into the proposed Interlocal Governmental Cooperation Agreement, attached hereto and incorporated herein as Exhibit "1", to allow the County to purchase end-user equipment from the City of Gulfport to assist in the implementation of a County-wide public safety communications system; and

WHEREAS, the Governing Authority of the City of Gulfport and the Board of Supervisors of Harrison County desire to enter into the proposed Interlocal Governmental Cooperation Agreement as provided by § 17-13-1, et seq. of the Mississippi Code of 1972, Annotated; and

WHEREAS, the Governing Authority of the City of Gulfport finds that the terms and conditions of the proposed Interlocal Government Cooperation Agreement attached hereto and incorporated herein as Exhibit "1", and subject to approval by the Attorney General of Mississippi pursuant to State law, are in the best interest of all citizens, of public safety personnel, of the City of Gulfport and of Harrison County, and said Agreement should be approved, entered into and executed; and

WHEREAS, the Governing Authority of the City of Gulfport further finds that the consolidated county-wide communications project including the establishment of a consolidated public safety communications dispatch center is in the best interest of all citizens, of public safety personnel, of the City of Gulfport and of Harrison County, and the City of Gulfport hereby agrees to reaffirm the City of Gulfport's support for and to participate in said project;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gulfport, Mississippi, as follows, to-wit:

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Section 1: That the matters, facts and things herein above recited in the preamble to this Resolution be, and they are hereby adopted as the official findings of the Governing Authority of the City of Gulfport.

Section 2: That certain proposed Interlocal Government Cooperation Agreement between the City of Gulfport, Mississippi, and Harrison County, a copy of which is annexed hereto as Exhibit "1" and made a part hereof, be and is hereby authorized and approved, subject to approval by the Attorney General of the State of Mississippi in accordance with State law, and Mayor Billy McDonald and the City Clerk, be and they are hereby authorized and requested to execute said Agreement on behalf of the City of Gulfport.

Section 3: That the City of Gulfport hereby agrees to reaffirm the City's support and to participate in the consolidated communications project including the establishment of a consolidated public safety communications dispatch center.

Section 4: That this Resolution be, and it is hereby placed in full force and effect as of the date of passage and enactment hereof according to law, and the City Clerk is hereby instructed to forward a properly executed copy of this Resolution to the Board of Supervisors of Harrison County, Mississippi.

The above and foregoing Resolution, after having been first reduced to writing and read by the Clerk was introduced by Councilman Savant, seconded by Councilwoman Holmes-Hines, and was adopted by the following roll call vote:

<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Jenkins	None	None	Rose
Savant			
Holmes-Hines			
Dombrowski			
Teston			
Hewes			

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WHEREUPON, the President declared the motion carried and the Resolution adopted
this the day 22nd of April, 2003.

(SEAL)

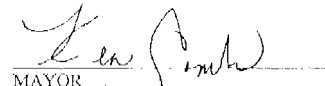
ATTEST:

ADOPTED:


CLERK OF THE COUNCIL


PRESIDENT

The above and foregoing Resolution submitted to and approved by the Mayor, this the
23rd day of April, 2003.


MAYOR

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STATE OF MISSISSIPPI
COUNTY OF HARRISON
CITY OF GULFPORT

I, Anne V. Peterson, City Clerk of the City of Gulfport, Mississippi, do hereby certify that the attached and foregoing is a true and correct copy of a Resolution by the Gulfport City Council to approve and authorize execution of an Interlocal Cooperation Agreement between the city of Gulfport, Mississippi, and Harrison County, to purchase end-user equipment for the county-wide Public Safety Communications System and to reaffirm the city of Gulfport's support for a consolidated Public Safety Communication Dispatch Facility, from the meeting of the Mayor and City Council on April 22, 2003.

Witness my signature and the seal of the city of Gulfport, Mississippi, this the 30th day of July 2003.

(SEAL)


ANNE V. PETERSON, CITY CLERK
CITY OF GULFPORT, MISSISSIPPI

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**INTERLOCAL COOPERATION AGREEMENT
BETWEEN HARRISON COUNTY AND THE CITY OF GULFPORT
MISSISSIPPI, TO PURCHASE END USER EQUIPMENT
FOR THE COUNTY-WIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM**

This Interlocal Cooperation Agreement is made and entered into by and between Harrison County, Mississippi, (the ACounty@), and the City of Gulfport, Mississippi (AMunicipality@) in accordance with and pursuant to the provisions of the Interlocal Cooperation Act of 1974, ' 17-31-1, et seq., Mississippi Code of 1972, as amended (the ACode@).

1. DURATION. The term of this Agreement shall commence on the date this Agreement is approved by the Attorney General of the State of Mississippi (the AAttorney General@) as provided for in ' 17-13-11 of the Code and shall end ten (10) years thereafter unless terminated or extended as provided for hereinafter. In the event the Attorney General disapproves this Agreement, it shall be null and void ab initio.
2. PURPOSE. The County and all Municipalities within the County, through the Harrison County Emergency Communications Commission, are implementing a County-wide communications system for all public safety entities operating within Harrison County. For purposes of this Agreement, public safety entities are defined as police, fire service, emergency medical service, 911 communications, emergency management (Civil Defense) and Medical Examiner. The purpose of this Agreement is to establish a method by which the parties to this Agreement can share the costs of purchasing the end-user equipment needed to implement the system and to otherwise set forth the various responsibilities of the parties. The quantities and types of end-used equipment have been determined by the 2003 Needs Assessment prepared by the



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Harrison County Emergency Communications Commission, a copy of which is attached hereto as **Exhibit A1**" and incorporated herein. The County Agrees to provide seventy percent (70%) of the costs of the equipment as set forth in this Agreement and the Municipality agrees to be responsible for the remaining thirty percent (30%). It is expressly understood that the County's portion of the costs shall be capped at \$1,326,780.00. In the event the Municipality determines that it does not need all the equipment as set forth in the needs assessment, then this reduction in need must be verified and approved by the Harrison County Emergency Communications Commission.

3. CITATION OF STATUTORY AUTHORITY. Harrison County is a political subdivision of the State of Mississippi whose powers and authorities are set forth generally in Title 19 of the Code, the specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof. Gulfport is a municipal corporation whose powers are set forth generally in Title 21 of the Code. The specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof.
4. FINANCING. Financing of the County's portion of the costs for this equipment shall be from funds received by the County from excess proceeds of the emergency telephone service charges assessed by the county as provided for in Section 19-5-313 of the code and by loan proceeds received from the Mississippi Development Bank. The

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loan proceeds in the amount of \$15,000,000.00 was and is primarily being used to purchase the infrastructure equipment necessary to operate the communications system.

The Municipality's portion of the costs shall be paid from its general fund monies or other funds which may be available for this purpose. There will be not joint funds to be administered pursuant to this Agreement.

5. TERMINATION OF AMENDMENT. Amendments to the Agreement may be made with the consent and approval of both parties. The Agreement can be terminated at any time by the official action of either party provided the other party is given at least three hundred sixty-five (365) days written notice of the termination.
6. ADMINISTRATION. This joint undertaking shall be administered by the Harrison County Emergency Communications Commission.
7. GENERAL PROVISIONS.
 - 7.1. The Municipality has previously purchased all the end-user equipment identified in the 2003 Needs Assessment Study (**Exhibit A1**). The County and/or the Harrison County Emergency Communications Commission agrees to purchase from the Municipality seventy percent (70%) of the total amount end-user equipment recommended by the 2003 Needs Assessment Study not to exceed \$1,326,780.00. A listing of the equipment subject to the purchase is attached as **Exhibit A2**.
 - 7.2. The purchase of additional radios and ancillary equipment shall be the responsibility of the Municipality and the same shall meet the specifications established by the Harrison County Emergency Communications Commission.

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- 7.3. All equipment purchased with County funds will remain the property of the County even though it may be assigned to the Municipality. The County shall be responsible for maintaining an accurate inventory of this equipment. All equipment purchased with funds from the Municipality shall remain the property of the Municipality and it shall maintain an accurate inventory of same. In the event this Agreement is terminated, the property shall be returned to the party owning same.
- 7.4. The Municipality agrees to be responsible for all expenses associated with both the end-user equipment owned by the County which is assigned to the Municipality and the equipment owned by the Municipality. This includes, but is not limited to the following: maintenance costs; insurance; repairs; replacements; and upgrades.
- 7.5. The Municipality agrees to maintain the end-user equipment purchased by the County and assigned to the Municipality in good working order. In the event any of this equipment is lost or destroyed, the Municipality shall replace same at its expense and the same shall be deemed to be County equipment.
- 7.6. Until the County provides a consolidated dispatch facility, the County agrees to provide an adequate amount of infrastructure equipment to continue using existing dispatch centers. The amount of infrastructure equipment shall be determined by the Harrison County Emergency Communications Commission. The County shall be responsible for one hundred percent (100%) of the costs of said equipment including the initial purchase, maintenance costs, insurance, repairs, replacement, and/or upgrades. Any damage to the equipment, other than

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ordinary wear and tear, shall be the responsibility of the Municipality.

- 7.7 All infrastructure equipment purchased by the County and/or Harrison County Emergency Communications Commission and assigned to the Municipality shall remain the property of the County and shall be returned to the County upon the termination of this Agreement.
- 7.8. All property purchased pursuant to the terms of this Agreement shall be used exclusively for the purposes outlined in Miss. Code Ann. ' 19-5-301, et. seq., and as established by the Rules and Regulations of the Harrison County Emergency Communications Commission. All equipment being used inconsistent with this paragraph shall be surrendered to the Harrison County Emergency Communications Commission upon their request.
- 7.9. Prior to the purchase of any equipment by the County, the Municipality must pass a Resolution supporting and agreeing to participate in the consolidated County-wide communications project including the establishment of a consolidated communications dispatch center.
- 7.10. If this communications system which was developed solely for the purposes outlined in Miss. Code Ann. ' 19-5-301, et seq., should have excess capacity and if the Municipality desires to utilize that capacity for a non-public safety purpose, then the Municipality may be allowed to use the system for that purpose subject to the following conditions: the usage must be approved by the Harrison County Emergency Communications Commission; the Municipality must pay the direct costs associated with that use; and the use shall be discontinued when the excess capacity is needed by a public safety entity as determined by the Harrison County

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Emergency Communications Commission. The Municipality may also be authorized to add additional capacity to the system at its expense for non-public safety use and subject to the approval of the Harrison County Emergency Communications Commission.

- 7.11 This agreement was not intended to supersede, modify or affect any obligations between the parties under pre-existing covenants, agreements or contracts related to the communications system. In the event an irreconcilable conflict should arise with other agreements, then the provisions of this agreement should control.

8. MISCELLANEOUS PROVISIONS.

- 8.01. Governing Law. This Agreement shall be governed by and construed in accordance with the provisions of the laws of the State of Mississippi.
- 8.02. Severability. If any provision of this Agreement or the application of any provision to any person or circumstance is or become invalid or unenforceable to any extent, then the remainder of this Agreement and the application of such provisions to any other person or circumstances shall not be affected by such invalidity or un-enforceability and shall be enforced to the greatest extent permitted by law.
- 8.03. Counterparts/Entire Agreement. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. This Agreement contains the sole and entire understanding between and among the parties hereto with respect to the subject matter hereof. All promises, inducements, offers, letters of intent, solicitation, agreements, commitments, representations and warranties made

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between such parties prior to this Agreement are superseded by this Agreement.

8.04. Captions. Captions, Sections and Article headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope of this Agreement nor the intent of any provision hereof.

WITNESSETH the signatures of the parties, this the 22 day of April, 2003.

HARRISON COUNTY

CITY OF Gulfport

By:

Mark J. Palmer
 President

By:

Ker Jomb
 Mayor

Attest:

[Signature]
 Clerk

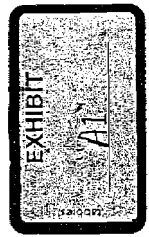
Attest:

[Signature]
 Clerk

Attest:

 Chancery Clerk

GULFPORT FIRE DEPARTMENT (911 70% = \$267,330.00 Maximum)					
GULFPORT BID PRICING					
PORTABLE RADIOS - 54					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
11	H9S86XE	LPE-200 Premium SYSTEM w/128 Systems/Groups	\$2,490.00	\$1,867.50	\$20,542.50
11		Orion ProVoice Upgrade including installation		\$547.50	\$6,022.50
47	H9S85XE	LPE-200 Premium Scan w/128 Systems/Groups	\$2,190.00	\$1,642.50	\$77,197.50
101	H9FH	LPE-200 High Capacity Battery, Intrinsically Safe	\$188.00	\$141.00	\$14,241.00
0		LPE-200 Medium Capacity Battery, Intrinsically Safe	\$172.00	\$129.00	\$0.00
58	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$4,872.00
58	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$7,395.00
59	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,088.75
58	PROG	Radio Programming	\$52.50	\$52.50	\$3,045.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$138,404.25
UPDATED 10/11/03					
MOBILE RADIOS - 49					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
6	D28LPXE	EDACS Orion 12 Watt Radio Unit - Front Mount / System Control Head / Mic / Antenna - Per bid sheet	\$3,170.00	\$2,377.50	\$14,265.00
2		Orion ProVoice Upgrade including installation		\$547.50	\$1,095.00
6	INST-RM	Rear Mount Installation & Programming - Per Bid Sheet		\$352.50	\$2,115.00
43	D28LTXE	EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$95,782.50
43	INST-FM	Front Mount Installation & Programming - Per Bid Sheet		\$240.00	\$10,320.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$123,577.50
UPDATED 10/11/03					



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CONTROL STATIONS					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00
1	D28LTXE	EDACS Orion 12 Watt Radio Unit	\$2,320.00	\$1,740.00	\$1,740.00
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25
1	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25
1	INST-CS	Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25
1	PROG	Radio Programming	\$52.50	\$47.25	\$47.25
TOTAL PRICE FOR CONTROL STATION, INSTALLED				\$5,346.00	\$5,346.00
GRAND TOTAL REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT FIRE DEPARTMENT					\$267,327.75
UPDATED 10/11/03					
Approved:		Approved:			
Gulfport Fire Department		Harrison County 911 Commission			

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GULFPORT FIRE DEPARTMENT (30% = \$114,570.00)					
GULFPORT BID PRICING					
PORTABLE RADIOS - 41					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
0	H9S86XE	LPE-200 Premium SYSTEM w/128 Systems/Groups	\$2,490.00	\$1,867.50	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
41	H9S85XE	LPE-200 Premium Scan w/128 Systems/Groups	\$2,190.00	\$1,642.50	\$67,342.50
0	H9FH	LPE-200 High Capacity Battery, Intrinsically Safe	\$188.00	\$141.00	\$0.00
72		LPE-200 Medium Capacity Battery, Intrinsically Safe	\$172.00	\$129.00	\$9,288.00
41	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$3,444.00
41	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$5,227.50
41	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$3,536.25
41	PROG	Radio Programming	\$52.50	\$52.50	\$2,152.50
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$90,990.75
UPDATED 10/11/03					
MOBILE RADIOS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
0	D28LPXE	EDACS Orion 12 Watt Radio Unit - Front Mount / System Control Head / Mic / Antenna - Per bid sheet	\$3,170.00	\$2,377.50	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
0	INST-RM	Rear Mount Installation & Programming - Per Bid Sheet		\$352.50	\$0.00
0	D28LTXE	EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$0.00
0	INST-FM	Front Mount Installation & Programming - Per Bid Sheet		\$240.00	\$0.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$0.00
UPDATED 10/11/03					

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CONTROL STATIONS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
0	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$0.00
0	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$0.00
0	D28LTXE	EDACS Orion 12 Watt Radio Unit	\$2,320.00	\$1,740.00	\$0.00
0	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$0.00
0	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$0.00
0	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$0.00
0	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$0.00
0	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$0.00
0	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$0.00
0	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$0.00
0	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$0.00
0	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$0.00
0	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$0.00
0	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$0.00
0	AWFSJ4-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$0.00
0	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$0.00
0	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$0.00
0	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$0.00
0	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$0.00
0	INST-CS	Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$0.00
0	PROG	Radio Programming	\$52.50	\$47.25	\$0.00
TOTAL PRICE FOR CONTROL STATION, INSTALLED				\$5,346.00	\$0.00
GRAND TOTAL REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT FIRE DEPARTMENT					\$90,990.75
UPDATED 10/11/03					
Approved:		Approved:			
Gulfport Fire Department		Harrison County 911 Commission			

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

HARRISON COUNTY 911 COMMISSION
END-USER RADIO EQUIPMENT ORDER FORM AND INSTRUCTIONS

Agency: Gulfport Fire Department

Date: 28-Mar-03

Maximum amount of funds available from 911 Commission (70%) \$267,330.00

Minimum amount to be expended by participating entity (30%) \$114,570.00

INSTRUCTIONS, RULES AND REGULATIONS:

1. The Harrison County 911 Commission will expend funds for purchase of end-user radio equipment not to exceed an amount which is 70% of the total amount recommended by the
2. The participating entity will expend funds for purchase of end-user radio equipment at a minimum amount of 30% of the total amount recommended by the Commission's needs assessment.
3. All end-user equipment purchased with Commission funds and entity funds must meet specifications established by the Commission so as to insure compatibility and interoperability.
4. The Commission will provide recommended types and quantities of equipment to be purchased with Commission and entity funds. These recommendations are based on the Commission's needs assessment.
5. While it is suggested that the participating entities adhere to the recommendations of the commission regarding types and quantities, they may modify their order with the following stipulations:
 - A. All equipment must be approved by the Commission.
 - B. Total quantities of equipment must meet the essential needs of the participating entity, as determined by the 911 Commission.
6. The 911 Commission will not issue any end-user equipment to participating entities until the Commission is satisfied that the entity has fulfilled its obligation of ordering enough equipment to satisfy the essential needs of the participating entity.
7. All equipment purchased with 911 Commission funds will remain property of Harrison County even though it may be assigned to participating entities.
8. All equipment purchased with funds from participating entities will remain property of the participating entity.
9. Maintenance, insurance, repair and replacement of equipment issued to eligible entities will become the responsibility of the end-user entity.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

10. The governing bodies of entities participating in this program must pass resolutions to support and participate in the consolidated county-wide communications project. These resolutions must be properly executed prior to ordering any equipment.
11. The 911 Commission will establish policies, procedures, rules and regulations to be used by all entities who participate in the 911 Commission's telecommunications projects.
12. All entities that participate in the 911 Commission's telecommunications projects will comply with training and certification requirements for users and telecommunicators.
13. No user will be allowed access to the 911 Commission's radio system without authorization from the Commission. The Commission reserves the right to regulate and restrict use of its radio system.
14. Participating entities should complete the attached order forms and return them to the 911 Commission for review and approval.
15. The interim public safety telecommunications plan provides for each participating entity to be responsible for its own dispatching. During this interim period, until there is dispatch consolidation, each participating entity that utilizes Commission equipment, must agree to provide emergency mutual aid dispatching back-up services to other public safety entities.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

GULFPORT POLICE DEPARTMENT (911 70% Maximum = \$1,059,450.00)					
CITY OF GULFPORT BID PRICES					
PORTABLE RADIOS - 66					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
66	H9P86XE	LPE-200 ProVoice Premium System w/128 Sys/Grps/DES	\$3,640.00	\$2,730.00	\$180,180.00
0	H9P85XE	LPE-200 ProVoice Premium Scan w/128 Systems/Groups	\$2,840.00	\$2,130.00	\$0.00
0	H9NC1K	LPE-200 Antenna - Included w/radio in original purchase price	\$20.00	\$15.00	\$0.00
20	H9PA7L	LPE-200 High Capacity Battery - Total number ordered	\$188.00	\$141.00	\$2,820.00
109		LPE - 200 Medium Capacity Battery	\$172.00	\$129.00	\$14,061.00
66	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$5,544.00
66	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$8,415.00
66	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,692.50
66	PROG	Radio Programming		\$52.50	\$3,465.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$220,177.50
UPDATED 10/11/03					
MOBILE RADIOS - 250					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
20	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Rear Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,515.00	\$3,386.25	\$67,725.00
20	INST	Rear Mount Install - Includes Programming		\$240.00	\$4,800.00
80	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Front Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,370.00	\$3,277.50	\$262,200.00
150		EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$334,125.00
150		Orion ProVoice Upgrade including installation		\$547.50	\$82,125.00
230	INST-D	Front Mount Installation - Includes Programming		\$195.00	\$44,850.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$795,825.00
UPDATED 10/11/03					

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

MOTORCYCLE RADIOS - 10					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
10		EDACS Orion 12 Watt Radio Unit - Motorcycle Mount / Scan Head / Mic / Antenna - Per Bid Sheet		\$2,966.25	\$29,662.50
10	INST-M	Special Motorcycle Installation / Radio Programming		\$240.00	\$2,400.00
10		Orion ProVoice Upgrade including installation		\$547.50	\$5,475.00
		TOTAL REIMBURSEMENT FOR MOTORCYCLE RADIOS, INSTALLED		\$3,753.75	\$37,537.50
		UPDATED 10/11/03			

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

CONTROL STATIONS - 1					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00
1	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit	\$2,970.00	\$2,227.50	\$2,227.50
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25
1	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25
1		Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25
1		Radio Programming	\$52.50	\$47.25	\$47.25
		TOTAL REIMBURSEMENT FOR CONTROL STATION, INSTALLED		\$5,833.50	\$5,833.50
		GRAND TOTAL OF REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT POLICE DEPARTMENT			\$1,059,373.50
		UPDATED 10/11/03			
Approved:		Approved:			
	Gulfport Police Department			Harrison County 911 Commission	

GULFPORT POLICE DEPARTMENT (30% Minimum Match = \$454,050.00)					
CITY OF GULFPORT BID PRICES					
PORTABLE RADIOS - 141					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
34	H9P86XE	LPE-200 ProVoice Premium System w/128 Sys/Grps/DES	\$3,640.00	\$2,730.00	\$92,820.00
107	H9P85XE	LPE-200 ProVoice Premium Scan w/128 Systems/Groups	\$2,840.00	\$2,130.00	\$227,910.00
0	H9NC1K	LPE-200 Antenna - Included w/radio in original purchase price	\$20.00	\$15.00	\$0.00
0	H9PA7L	LPE-200 High Capacity Battery - Total number ordered	\$188.00	\$141.00	\$0.00
285		LPE - 200 Medium Capacity Battery	\$172.00	\$129.00	\$36,765.00
141	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$11,844.00
141	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$17,977.50
141	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$88.25	\$12,161.25
141	PROG	Radio Programming		\$52.50	\$7,402.50
TOTAL FOR PORTABLES AND ACCESSORIES					\$406,880.25
UPDATED 10/11/03					
MOBILE RADIOS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
0	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Rear Mount / DES/ System Control Head / Mic / Antenna - Per bid sheet	\$4,515.00	\$3,386.25	\$0.00
0	INST	Rear Mount Install - Includes Programming		\$240.00	\$0.00
0	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Front Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,370.00	\$3,277.50	\$0.00
0		EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
0	INST-D	Front Mount Installation - Includes Programming		\$195.00	\$0.00
TOTAL FOR MOBILES, INSTALLED					\$0.00
UPDATED 10/11/03					

MINUTES
 BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
 DECEMBER 2003 TERM

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

MOTORCYCLE RADIOS - 0					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
0		EDACS Orion 12 Watt Radio Unit - Motorcycle Mount / Scan Head / Mic / Antenna - Per Bid Sheet		\$2,966.25	\$0.00
0	INST-M	Special Motorcycle Installation / Radio Programming		\$240.00	\$0.00
0		Orion ProVoice Upgrade including installation		\$547.50	\$0.00
		TOTAL FOR MOTORCYCLE RADIOS, INSTALLED		\$3,753.75	\$0.00
		UPDATED 10/11/03			

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

CONTROL STATIONS - 0						
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST	
0	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$0.00	
0	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$0.00	
0	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit	\$2,970.00	\$2,227.50	\$0.00	
0	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$0.00	
0	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$0.00	
0	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$0.00	
0	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$0.00	
0	DB-493A	Three Element 600 MHz Yagi Antenna	\$98.00	\$88.20	\$0.00	
0	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$0.00	
0	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Heliac	\$51.50	\$46.35	\$0.00	
0	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Heliac Cable	\$62.50	\$56.25	\$0.00	
0	AW204989-1	Grounding Kit for 1/2" Heliac Cable	\$23.00	\$20.70	\$0.00	
0	AWL4NM	Connector for 1/2" Heliac Cable, Type N Male	\$32.00	\$28.80	\$0.00	
0	AWL4NF	Connector for 1/2" Heliac Cable, Type N Female	\$32.00	\$28.80	\$0.00	
0	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$0.00	
0	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$0.00	
0	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$0.00	
0	Farger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$0.00	
0	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$0.00	
0		Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$0.00	
0		Radio Programming	\$52.50	\$47.25	\$0.00	
		TOTAL FOR CONTROL STATION, INSTALLED		\$5,833.50	\$0.00	
GRAND TOTAL OF USER EQUIPMENT FOR GULFPORT POLICE DEPARTMENT					\$406,880.25	
UPDATED 10/11/03						
Approved:		Approved:				
Gulfport Police Department		Harrison County 9*1 Commission				

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

HARRISON COUNTY 911 COMMISSION
END-USER RADIO EQUIPMENT ORDER FORM AND INSTRUCTIONS

Agency: Gulfport Police Department

Date: 28-Mar-03

Maximum amount of funds available from 911 Commission (70%) \$1,059,450.00

Minimum amount to be expended by participating entity (30%) \$454,050.00

INSTRUCTIONS, RULES AND REGULATIONS

1. The Harrison County 911 Commission will expend funds for purchase of end-user radio equipment not to exceed an amount which is 70% of the total amount recommended by the
2. The participating entity will expend funds for purchase of end-user radio equipment at a minimum amount of 30% of the total amount recommended by the Commission's needs assessment.
3. All end-user equipment purchased with Commission funds and entity funds must meet specifications established by the Commission so as to insure compatibility and interoperability.
4. The Commission will provide recommended types and quantities of equipment to be purchased with Commission and entity funds. These recommendations are based on the Commission's needs assessment.
5. While it is suggested that the participating entities adhere to the recommendations of the commission regarding types and quantities, they may modify their order with the following stipulations:
 - A. All equipment must be approved by the Commission.
 - B. Total quantities of equipment must meet the essential needs of the participating entity, as determined by the 911 Commission.
6. The 911 Commission will not issue any end-user equipment to participating entities until the Commission is satisfied that the entity has fulfilled its obligation of ordering enough equipment to satisfy the essential needs of the participating entity.
7. All equipment purchased with 911 Commission funds will remain property of Harrison County even though it may be assigned to participating entities.
8. All equipment purchased with funds from participating entities will remain property of the participating entity.
9. Maintenance, insurance, repair and replacement of equipment issued to eligible entities will become the responsibility of the end-user entity.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

10. The governing bodies of entities participating in this program must pass resolutions to support and participate in the consolidated county-wide communications project. These resolutions must be properly executed prior to ordering any equipment.

11. The 911 Commission will establish policies, procedures, rules and regulations to be used by all entities who participate in the 911 Commission's telecommunications projects.

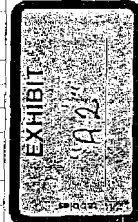
12. All entities that participate in the 911 Commission's telecommunications projects will comply with training and certification requirements for users and telecommunicators.

13. No user will be allowed access to the 911 Commission's radio system without authorization from the Commission. The Commission reserves the right to regulate and restrict use of its radio system.

14. Participating entities should complete the attached order forms and return them to the 911 Commission for review and approval.

15. The interim public safety telecommunications plan provides for each participating entity to be responsible for its own dispatching. During this interim period, until there is dispatch consolidation, each participating entity that utilizes Commission equipment, must agree to provide emergency mutual aid dispatching back-up services to other public safety entities.

GULFPORT POLICE DEPARTMENT (911 70% Maximum = \$1,059,450.00)					
CITY OF GULFPORT BID PRICES					
PORTABLE RADIOS - 66					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
66	H9P86XE	LPE-200 ProVoice Premium System w/128 Sys/Grps/DES	\$3,640.00	\$2,730.00	\$180,180.00
0	H9P85XE	LPE-200 ProVoice Premium Scan w/128 Systems/Groups	\$2,840.00	\$2,130.00	\$0.00
0	H9NC1K	LPE-200 Antenna - Included w/radio in original purchase price	\$20.00	\$15.00	\$0.00
20	H9PA7L	LPE-200 High Capacity Battery - Total number ordered	\$188.00	\$141.00	\$2,820.00
109		LPE - 200 Medium Capacity Battery	\$172.00	\$129.00	\$14,061.00
66	H9H07J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$5,544.00
66	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$8,415.00
66	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,692.50
66	PROG	Radio Programming		\$52.50	\$3,465.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$220,177.50
UPDATED 10/11/03					
MOBILE RADIOS - 250					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
20	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Rear Mount / DES/ System Control Head / Mic / Antenna- Per bid sheet	\$4,515.00	\$3,386.25	\$67,725.00
20	INST	Rear Mount Install - Includes Programming		\$240.00	\$4,800.00
80	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Front Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,370.00	\$3,277.50	\$262,200.00
150		EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$334,125.00
150		Orion ProVoice Upgrade including installation		\$547.50	\$82,125.00
230	INST-D	Front Mount Installation - Includes Programming		\$195.00	\$44,850.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$795,825.00
UPDATED 10/11/03					



MOTORCYCLE RADIOS - 10					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
10		EDACS Orion 12 Watt Radio Unit - Motorcycle Mount / Scan Head / Mic / Antenna - Per Bid Sheet		\$2,966.25	\$29,662.50
10	INST-M	Special Motorcycle Installation / Radio Programming		\$240.00	\$2,400.00
10		Orion ProVoice Upgrade including installation		\$547.50	\$5,475.00
		TOTAL REIMBURSEMENT FOR MOTORCYCLE RADIOS, INSTALLED		\$3,753.75	\$37,537.50
		UPDATED 10/11/03			

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

CONTROL STATIONS - 1					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00
1	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit	\$2,970.00	\$2,227.50	\$2,227.50
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20
1	IS-CT50HN-MA	Polynaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25
1	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50
1	F1PNF-5H	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25
1		Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25
1		Radio Programming	\$52.50	\$47.25	\$47.25
TOTAL REIMBURSEMENT FOR CONTROL STATION, INSTALLED				\$5,833.50	\$5,833.50
GRAND TOTAL OF REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT POLICE DEPARTMENT					\$1,059,373.50
UPDATED 10/11/03					
Approved: _____		Approved: _____			
Gulfport Police Department		Harrison County 911 Commission			

GULFPORT FIRE DEPARTMENT (911 70% = \$267,330.00 Maximum)					
GULFPORT BID PRICING					
PORTABLE RADIOS - 54					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
11	H9S86XE	LPE-200 Premium SYSTEM w/128 Systems/Groups	\$2,490.00	\$1,867.50	\$20,542.50
11		Orion ProVoice Upgrade including installation		\$547.50	\$6,022.50
47	H9S85XE	LPE-200 Premium Scan w/128 Systems/Groups	\$2,190.00	\$1,642.50	\$77,197.50
101	H9FH	LPE-200 High Capacity Battery, Intrinsically Safe	\$188.00	\$141.00	\$14,241.00
0		LPE-200 Medium Capacity Battery, Intrinsically Safe	\$172.00	\$129.00	\$0.00
58	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$4,872.00
58	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$7,395.00
59	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,088.75
58	PROG	Radio Programming	\$52.50	\$52.50	\$3,045.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$138,404.25
UPDATED 10/11/03					
MOBILE RADIOS - 49					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
6	D28LPXE	EDACS Orion 12 Watt Radio Unit - Front Mount / System Control Head / Mic / Antenna - Per bid sheet	\$3,170.00	\$2,377.50	\$14,265.00
2		Orion ProVoice Upgrade including installation		\$547.50	\$1,095.00
6	INST-RM	Rear Mount Installation & Programming - Per Bid Sheet		\$352.50	\$2,115.00
43	D28LTXE	EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$95,782.50
43	INST-FM	Front Mount Installation & Programming - Per Bid Sheet		\$240.00	\$10,320.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$123,577.50
UPDATED 10/11/03					

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CONTROL STATIONS						
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST	
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75	
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00	
1	D28LTXE	EDACS Orion 12 Watt Radio Unit	\$2,320.00	\$1,740.00	\$1,740.00	
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00	
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50	
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75	
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00	
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20	
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00	
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Helix	\$51.50	\$46.35	\$46.35	
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Helix Cable	\$62.50	\$56.25	\$56.25	
1	AW204989-1	Grounding Kit for 1/2" Helix Cable	\$23.00	\$20.70	\$20.70	
1	AWL4NM	Connector for 1/2" Helix Cable, Type N Male	\$32.00	\$28.80	\$28.80	
1	AWL4NF	Connector for 1/2" Helix Cable, Type N Female	\$32.00	\$28.80	\$28.80	
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70	
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50	
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50	
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45	
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25	
1	INST-CS	Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25	
1	PROG	Radio Programming	\$52.50	\$47.25	\$47.25	
				TOTAL PRICE FOR CONTROL STATION, INSTALLED	\$5,346.00	\$5,346.00
GRAND TOTAL REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT FIRE DEPARTMENT					\$267,327.75	
UPDATED 10/11/03						
Approved: _____			Approved: _____			
Guifport Fire Department			Harrison County 911 Commission			

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**ORDER BY THE HARRISON COUNTY BOARD OF SUPERVISORS TO APPROVE
AND AUTHORIZE EXECUTION OF AN INTERLOCAL COOPERATION
AGREEMENT BETWEEN THE CITY OF GULFPORT, MISSISSIPPI, AND
HARRISON COUNTY, TO PURCHASE END-USER EQUIPMENT
FOR THE COUNTY-WIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM**

WHEREAS, the City of Gulfport, Mississippi, and Harrison County desire to enter into the proposed *Interlocal Governmental Cooperation Agreement*, attached hereto and incorporated herein as Exhibit "1", to allow the County to purchase end-user equipment from the City of Gulfport to assist in the implementation of a County-wide public safety communications system; and

WHEREAS, the Governing Authority of the City of Gulfport and the Board of Supervisors of Harrison County desire to enter into the proposed *Interlocal Governmental Cooperation Agreement* as provided by § 17-13-1, et seq. of the Mississippi Code of 1972, Annotated; and

WHEREAS, the Harrison County Board of Supervisors finds that the terms and conditions of the proposed *Interlocal Government Cooperation Agreement* attached hereto and incorporated herein as Exhibit "1", and subject to approval by the Attorney General of Mississippi pursuant to State law, are in the best interest of all citizens, of public safety personnel, of the City of Gulfport and of Harrison County, and said Agreement should be approved, entered into and executed; and

WHEREAS, the Harrison County Board of Supervisors finds that the joint effort between the City of Gulfport and Harrison County, Mississippi, authorized by this Agreement, would make the most efficient use of their powers by enabling them to cooperate on a basis of mutual coordinated advantage and thereby provide a vital emergency service that will best accord with the geographic, economic and population facts, needs and development in each community;

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NOW, THEREFORE, IT IS ORDERED by the Harrison County Board of Supervisors that:

Section 1: That the matters, facts and things herein above recited in the preamble to this Order be, and they are hereby adopted as the official findings of the Harrison County Board of Supervisors

Section 2: That the proposed Interlocal Government Cooperation Agreement between the City of Gulfport, Mississippi, and Harrison County, a copy of which is annexed hereto as Exhibit "1" and made a part hereof, be and is hereby authorized and approved, subject to approval by the Attorney General of the State of Mississippi in accordance with State law, and the President of the Board of Supervisors, be and is hereby authorized and requested to execute said Agreement on behalf of the Harrison County Board of Supervisors.

The above and foregoing Order was introduced by Supervisor Benefield, who moved the adoption of same. Said Motion was seconded by Supervisor Eleuterius. After discussion, the matter was put to a roll call vote. The result was as follows.

Supervisor BOBBY ELEUTERIUS voted	<u>AYE</u>
Supervisor LARRY BENEFIELD voted	<u>AYE</u>
Supervisor MARLIN LADNER voted	<u>AYE</u>
Supervisor WILLIAM MARTIN voted	<u>AYE</u>
Supervisor CONNIE ROCKCO voted	<u>(ABSENT & EXCUSED)</u>

The motion having received the affirmative vote of a majority of the members present, the President of the Harrison County Board of Supervisors declared the motion carried.

ORDERED on this the 14th day of July, 2003

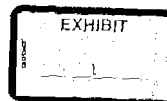
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INTERLOCAL COOPERATION AGREEMENT
 BETWEEN HARRISON COUNTY AND THE CITY OF GULFPORT
 MISSISSIPPI, TO PURCHASE END USER EQUIPMENT
 FOR THE COUNTY-WIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM

This Interlocal Cooperation Agreement is made and entered into by and between Harrison County, Mississippi, (the "County"), and the City of Gulfport, Mississippi (a "Municipality") in accordance with and pursuant to the provisions of the Interlocal Cooperation Act of 1974, § 17-31-1, et seq., Mississippi Code of 1972, as amended (the "Code").

1. **DURATION.** The term of this Agreement shall commence on the date this Agreement is approved by the Attorney General of the State of Mississippi (the "Attorney General") as provided for in § 17-13-11 of the Code and shall end ten (10) years thereafter unless terminated or extended as provided for hereinafter. In the event the Attorney General disapproves this Agreement, it shall be null and void ab initio.
2. **PURPOSE.** The County and all Municipalities within the County, through the Harrison County Emergency Communications Commission, are implementing a County-wide communications system for all public safety entities operating within Harrison County. For purposes of this Agreement, public safety entities are defined as police, fire service, emergency medical service, 911 communications, emergency management (Civil Defense) and Medical Examiner. The purpose of this Agreement is to establish a method by which the parties to this Agreement can share the costs of purchasing the end-user equipment needed to implement the system and to otherwise set forth the various responsibilities of the parties. The quantities and types of end-used equipment have been determined by the 2003 Needs Assessment prepared by the



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Harrison County Emergency Communications Commission, a copy of which is attached hereto as Exhibit A1" and incorporated herein. The County Agrees to provide seventy percent (70%) of the costs of the equipment as set forth in this Agreement and the Municipality agrees to be responsible for the remaining thirty percent (30%). It is expressly understood that the County's portion of the costs shall be capped at \$1,326,780.00. In the event the Municipality determines that it does not need all the equipment as set forth in the needs assessment, then this reduction in need must be verified and approved by the Harrison County Emergency Communications Commission.

3. CITATION OF STATUTORY AUTHORITY. Harrison County is a political subdivision of the State of Mississippi whose powers and authorities are set forth generally in Title 19 of the Code, the specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof. Gulfport is a municipal corporation whose powers are set forth generally in Title 21 of the Code. The specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof.
4. FINANCING. Financing of the County's portion of the costs for this equipment shall be from funds received by the County from excess proceeds of the emergency telephone service charges assessed by the county as provided for in Section 19-5-313 of the code and by loan proceeds received from the Mississippi Development Bank. The

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loan proceeds in the amount of \$15,000,000.00 was and is primarily being used to purchase the infrastructure equipment necessary to operate the communications system. The Municipality's portion of the costs shall be paid from its general fund monies or other funds which may be available for this purpose. There will be no joint funds to be administered pursuant to this Agreement.

5. TERMINATION OF AMENDMENT. Amendments to the Agreement may be made with the consent and approval of both parties. The Agreement can be terminated at any time by the official action of either party provided the other party is given at least three hundred sixty-five (365) days written notice of the termination.
6. ADMINISTRATION. This joint undertaking shall be administered by the Harrison County Emergency Communications Commission.
7. GENERAL PROVISIONS.
 - 7.1. The Municipality has previously purchased all the end-user equipment identified in the 2003 Needs Assessment Study (Exhibit A1^o). The County and/or the Harrison County Emergency Communications Commission agrees to purchase from the Municipality seventy percent (70%) of the total amount end-user equipment recommended by the 2003 Needs Assessment Study not to exceed \$1,326,780.00. A listing of the equipment subject to the purchase is attached as Exhibit A2^o.
 - 7.2. The purchase of additional radios and ancillary equipment shall be the responsibility of the Municipality and the same shall meet the specifications established by the Harrison County Emergency Communications Commission.

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- 7.3. All equipment purchased with County funds will remain the property of the County even though it may be assigned to the Municipality. The County shall be responsible for maintaining an accurate inventory of this equipment. All equipment purchased with funds from the Municipality shall remain the property of the Municipality and it shall maintain an accurate inventory of same. In the event this Agreement is terminated, the property shall be returned to the party owning same.
- 7.4. The Municipality agrees to be responsible for all expenses associated with both the end-user equipment owned by the County which is assigned to the Municipality and the equipment owned by the Municipality. This includes, but is not limited to the following: maintenance costs, insurance, repairs, replacements, and upgrades.
- 7.5. The Municipality agrees to maintain the end-user equipment purchased by the County and assigned to the Municipality in good working order. In the event any of this equipment is lost or destroyed, the Municipality shall replace same at its expense and the same shall be deemed to be County equipment.
- 7.6. Until the County provides a consolidated dispatch facility, the County agrees to provide an adequate amount of infrastructure equipment to continue using existing dispatch centers. The amount of infrastructure equipment shall be determined by the Harrison County Emergency Communications Commission. The County shall be responsible for one hundred percent (100%) of the costs of said equipment including the initial purchase, maintenance costs, insurance, repairs, replacement, and/or upgrades. Any damage to the equipment, other than

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- ordinary wear and tear, shall be the responsibility of the Municipality.
- 7.7 All infrastructure equipment purchased by the County and/or Harrison County Emergency Communications Commission and assigned to the Municipality shall remain the property of the County and shall be returned to the County upon the termination of this Agreement.
- 7.8 All property purchased pursuant to the terms of this Agreement shall be used exclusively for the purposes outlined in Miss. Code Ann. § 19-5-301, et seq., and as established by the Rules and Regulations of the Harrison County Emergency Communications Commission. All equipment being used inconsistent with this paragraph shall be surrendered to the Harrison County Emergency Communications Commission upon their request.
- 7.9 Prior to the purchase of any equipment by the County, the Municipality must pass a Resolution supporting and agreeing to participate in the consolidated County-wide communications project including the establishment of a consolidated communications dispatch center.
- 7.10 If this communications system which was developed solely for the purposes outlined in Miss. Code Ann. § 19-5-301, et seq., should have excess capacity and if the Municipality desires to utilize that capacity for a non-public safety purpose, then the Municipality may be allowed to use the system for that purpose subject to the following conditions: the usage must be approved by the Harrison County Emergency Communications Commission; the Municipality must pay the direct costs associated with that use; and the use shall be discontinued when the excess capacity is needed by a public safety entity as determined by the Harrison County

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Emergency Communications Commission. The Municipality may also be authorized to add additional capacity to the system at its expense for non-public safety use and subject to the approval of the Harrison County Emergency Communications Commission.

- 7.11 This agreement was not intended to supersede, modify or affect any obligations between the parties under pre-existing covenants, agreements or contracts related to the communications system. In the event an irreconcilable conflict should arise with other agreements, then the provisions of this agreement should control.

8. MISCELLANEOUS PROVISIONS.

8.01. Governing Law. This Agreement shall be governed by and construed in accordance with the provisions of the laws of the State of Mississippi.

8.02. Severability. If any provision of this Agreement or the application of any provision to any person or circumstance is or become invalid or unenforceable to any extent, then the remainder of this Agreement and the application of such provisions to any other person or circumstances shall not be affected by such invalidity or un-enforceability and shall be enforced to the greatest extent permitted by law.

8.03. Counterparts/Entire Agreement. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. This Agreement contains the sole and entire understanding between and among the parties hereto with respect to the subject matter hereof. All promises, inducements, offers, letters of intent, solicitation, agreements, commitments, representations and warranties made

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between such parties prior to this Agreement are superseded by this Agreement.

8.04. Captions. Captions, Sections and Article headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope of this Agreement nor the intent of any provision hereof.

WITNESSETH the signatures of the parties, this the 22 day of April, 2003.

HARRISON COUNTY

CITY OF Gulfport

By: _____
President

By: Ken Samba
Mayor

Attest: _____
Clerk

Attest: Ann R. Pittman
Clerk

Attest: _____
Chancery Clerk

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There came on for consideration at a duly constituted meeting of the Mayor and members of the City Council of the City of Gulfport, Mississippi, held on the 22nd day of April, 2003, the following Resolution:

A RESOLUTION BY THE GULFPORT CITY COUNCIL TO APPROVE AND AUTHORIZE EXECUTION OF AN INTERLOCAL COOPERATION AGREEMENT BETWEEN THE CITY OF GULFPORT, MISSISSIPPI, AND HARRISON COUNTY, TO PURCHASE END-USER EQUIPMENT FOR THE COUNTY-WIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM AND TO REAFFIRM THE CITY OF GULFPORT'S SUPPORT FOR A CONSOLIDATED PUBLIC SAFETY COMMUNICATION DISPATCH FACILITY.

WHEREAS, the City of Gulfport, Mississippi, and Harrison County desire to enter into the proposed Interlocal Governmental Cooperation Agreement, attached hereto and incorporated herein as Exhibit "1", to allow the County to purchase end-user equipment from the City of Gulfport to assist in the implementation of a County-wide public safety communications system; and

WHEREAS, the Governing Authority of the City of Gulfport and the Board of Supervisors of Harrison County desire to enter into the proposed Interlocal Governmental Cooperation Agreement as provided by § 17-13-1, et seq. of the Mississippi Code of 1972, Annotated, and

WHEREAS, the Governing Authority of the City of Gulfport finds that the terms and conditions of the proposed Interlocal Government Cooperation Agreement attached hereto and incorporated herein as Exhibit "1", and subject to approval by the Attorney General of Mississippi pursuant to State law, are in the best interest of all citizens, of public safety personnel, of the City of Gulfport and of Harrison County, and said Agreement should be approved, entered into and executed; and

WHEREAS, the Governing Authority of the City of Gulfport further finds that the consolidated county wide communications project including the establishment of a consolidated public safety communications dispatch center is in the best interest of all citizens, of public safety personnel, of the City of Gulfport and of Harrison County, and the City of Gulfport hereby agrees to reaffirm the City of Gulfport's support for and to participate in said project,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Gulfport, Mississippi, as follows, to-wit:

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Section 1: That the matters, facts and things herein above recited in the preamble to this Resolution be, and they are hereby adopted as the official findings of the Governing Authority of the City of Gulfport.

Section 2: That certain proposed Interlocal Government Cooperation Agreement between the City of Gulfport, Mississippi, and Harrison County, a copy of which is annexed hereto as Exhibit "1" and made a part hereof, be and is hereby authorized and approved, subject to approval by the Attorney General of the State of Mississippi in accordance with State law, and Mayor Billy Mc Donald and the City Clerk, be and they are hereby authorized and requested to execute said Agreement on behalf of the City of Gulfport.

Section 3: That the City of Gulfport hereby agrees to reaffirm the City's support and to participate in the consolidated communications project including the establishment of a consolidated public safety communications dispatch center.

Section 4: That this Resolution be, and it is hereby placed in full force and effect as of the date of passage and enactment hereof according to law, and the City Clerk is hereby instructed to forward a properly executed copy of this Resolution to the Board of Supervisors of Harrison County, Mississippi.

The above and foregoing Resolution, after having been first reduced to writing and read by the Clerk was introduced by Councilman Savant, seconded by Councilwoman Holmes-Hines, and was adopted by the following roll call vote.

<u>AYES</u>	<u>NAYS</u>	<u>ABSENT</u>	<u>ABSTAIN</u>
Jenkins	None	None	Rose
Savant			
Holmes-Hines			
Dabrowski			
Tetson			
Hewes			

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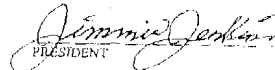
WHEREUPON, the President declared the motion carried and the Resolution adopted
this the day 21st of April, 2003.

(SEAL)

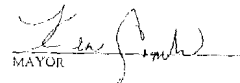
ATTEST:


CLERK OF THE COUNCIL

ADOPTED:


PRESIDENT

The above and foregoing Resolution submitted to and approved by the Mayor, this the
21st day of April, 2003.


MAYOR

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STATE OF MISSISSIPPI
COUNTY OF HARRISON
CITY OF GULFPORT

I, Anne V. Peterson, City Clerk of the city of Gulfport, Mississippi, do hereby certify that the attached and foregoing is a true and correct copy of a Resolution by the Gulfport City Council to approve and authorize execution of an Interlocal Cooperation Agreement between the City of Gulfport, Mississippi, and Harrison County, to purchase end-user equipment for the county-wide public safety communications system and to reaffirm the City of Gulfport's support for a consolidated Public Safety Communication Dispatch Facility, from the meeting of the Mayor and City Council on April 22, 2003, under my care and custody.

Witness my signature and the seal of the city of Gulfport, Mississippi, this the 6th day of May 2003.

(SEAL)


ANNE V. PETERSON, CITY CLERK
CITY OF GULFPORT, MISSISSIPPI

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INTERLOCAL COOPERATION AGREEMENT
BETWEEN HARRISON COUNTY AND THE CITY OF GULFPORT
MISSISSIPPI, TO PURCHASE END USER EQUIPMENT
FOR THE COUNTY-WIDE PUBLIC SAFETY COMMUNICATIONS SYSTEM

This Interlocal Cooperation Agreement is made and entered into by and between Harrison County, Mississippi, (the ACounty@), and the City of Gulfport, Mississippi (AMunicipality@) in accordance with and pursuant to the provisions of the Interlocal Cooperation Act of 1974, '17-31-1, et seq., Mississippi Code of 1972, as amended (the ACode@).

1. DURATION. The term of this Agreement shall commence on the date this Agreement is approved by the Attorney General of the State of Mississippi (the AAttorney General@) as provided for in '17-13-11 of the Code and shall end ten (10) years thereafter unless terminated or extended as provided for hereinafter. In the event the Attorney General disapproves this Agreement, it shall be null and void ab initio.
2. PURPOSE. The County and all Municipalities within the County, through the Harrison County Emergency Communications Commission, are implementing a County wide communications system for all public safety entities operating within Harrison County. For purposes of this Agreement, public safety entities are defined as police, fire service, emergency medical service, 911 communications, emergency management (Civil Defense) and Medical Examiner. The purpose of this Agreement is to establish a method by which the parties to this Agreement can share the costs of purchasing the end-user equipment needed to implement the system and to otherwise set forth the various responsibilities of the parties. The quantities and types of end-used equipment have been determined by the 2003 Needs Assessment prepared by the

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Harrison County Emergency Communications Commission, a copy of which is attached hereto as Exhibit A1" and incorporated herein. The County Agrees to provide seventy percent (70%) of the costs of the equipment as set forth in this Agreement and the Municipality agrees to be responsible for the remaining thirty percent (30%). It is expressly understood that the County's portion of the costs shall be capped at \$1,326,780.00. In the event the Municipality determines that it does not need all the equipment as set forth in the needs assessment, then this reduction in need must be verified and approved by the Harrison County Emergency Communications Commission.

3. CITATION OF STATUTORY AUTHORITY Harrison County is a political subdivision of the State of Mississippi whose powers and authorities are set forth generally in Title 19 of the Code, the specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof. Gulfport is a municipal corporation whose powers are set forth generally in Title 21 of the Code. The specific authority for this Agreement is found in the provisions of Sections 19-5-301 through 19-5-319, specifically including Section 19-5-313, and a local and private Act of 1984, being Chapter 933 thereof.
4. FINANCING. Financing of the County's portion of the costs for this equipment shall be from funds received by the County from excess proceeds of the emergency telephone service charges assessed by the county as provided for in Section 19-5-313 of the code and by loan proceeds received from the Mississippi Development Bank. The

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loan proceeds in the amount of \$15,000,000.00 was and is primarily being used to purchase the infrastructure equipment necessary to operate the communications system. The Municipality's portion of the costs shall be paid from its general fund monies or other funds which may be available for this purpose. There will be no joint funds to be administered pursuant to this Agreement.

5. TERMINATION OF AMENDMENT Amendments to the Agreement may be made with the consent and approval of both parties. The Agreement can be terminated at any time by the official action of either party provided the other party is given at least three hundred sixty-five (165) days written notice of the termination.
6. ADMINISTRATION This joint undertaking shall be administered by the Harrison County Emergency Communications Commission.
7. GENERAL PROVISIONS
 - 7.1. The Municipality has previously purchased all the end-user equipment identified in the 2003 Needs Assessment Study (Exhibit A1). The County and/or the Harrison County Emergency Communications Commission agrees to purchase from the Municipality seventy percent (70%) of the total amount end-user equipment recommended by the 2003 Needs Assessment Study not to exceed \$1,326,780.00. A listing of the equipment subject to the purchase is attached as Exhibit A2.
 - 7.2. The purchase of additional radios and ancillary equipment shall be the responsibility of the Municipality and the same shall meet the specifications established by the Harrison County Emergency Communications Commission.

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- 7.3. All equipment purchased with County funds will remain the property of the County even though it may be assigned to the Municipality. The County shall be responsible for maintaining an accurate inventory of this equipment. All equipment purchased with funds from the Municipality shall remain the property of the Municipality and it shall maintain an accurate inventory of same. In the event this Agreement is terminated, the property shall be returned to the party owning same.
- 7.4. The Municipality agrees to be responsible for all expenses associated with both the end-user equipment owned by the County which is assigned to the Municipality and the equipment owned by the Municipality. This includes, but is not limited to the following: maintenance costs; insurance; repairs; replacements; and upgrades.
- 7.5. The Municipality agrees to maintain the end-user equipment purchased by the County and assigned to the Municipality in good working order. In the event any of this equipment is lost or destroyed, the Municipality shall replace same at its expense and the same shall be deemed to be County equipment.
- 7.6. Until the County provides a consolidated dispatch facility, the County agrees to provide an adequate amount of infrastructure equipment to continue using existing dispatch centers. The amount of infrastructure equipment shall be determined by the Harrison County Emergency Communications Commission. The County shall be responsible for one hundred percent (100%) of the costs of said equipment including the initial purchase, maintenance costs, insurance, repairs, replacement, and/or upgrades. Any damage to the equipment, other than

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- ordinary wear and tear, shall be the responsibility of the Municipality.
- 7.7. All infrastructure equipment purchased by the County and/or Harrison County Emergency Communications Commission and assigned to the Municipality shall remain the property of the County and shall be returned to the County upon the termination of this Agreement.
- 7.8. All property purchased pursuant to the terms of this Agreement shall be used exclusively for the purposes outlined in Miss. Code Ann. § 19-5-301, et. seq., and as established by the Rules and Regulations of the Harrison County Emergency Communications Commission. All equipment being used inconsistent with this paragraph shall be surrendered to the Harrison County Emergency Communications Commission upon their request.
- 7.9. Prior to the purchase of any equipment by the County, the Municipality must pass a Resolution supporting and agreeing to participate in the consolidated County-wide communications project including the establishment of a consolidated communications dispatch center.
- 7.10. If this communications system which was developed solely for the purposes outlined in Miss. Code Ann. § 19-5-301, et seq., should have excess capacity and if the Municipality desires to utilize that capacity for a non-public safety purpose, then the Municipality may be allowed to use the system for that purpose subject to the following conditions: the usage must be approved by the Harrison County Emergency Communications Commission; the Municipality must pay the direct costs associated with that use, and the use shall be discontinued when the excess capacity is needed by a public safety entity as determined by the Harrison County

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Emergency Communications Commission. The Municipality may also be authorized to add additional capacity to the system at its expense for non public safety use and subject to the approval of the Harrison County Emergency Communications Commission.

7.11 This agreement was not intended to supersede, modify or affect any obligations between the parties under pre-existing covenants, agreements or contracts related to the communications system. In the event an irreconcilable conflict should arise with other agreements, then the provisions of this agreement should control.

8. MISCELLANEOUS PROVISIONS.

8.01. Governing Law. This Agreement shall be governed by and construed in accordance with the provisions of the laws of the State of Mississippi.

8.02. Severability. If any provision of this Agreement or the application of any provision to any person or circumstance is or become invalid or unenforceable to any extent, then the remainder of this Agreement and the application of such provisions to any other person or circumstances shall not be affected by such invalidity or un-enforceability and shall be enforced to the greatest extent permitted by law.

8.03. Counterparts/Entire Agreement. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. This Agreement contains the sole and entire understanding between and among the parties hereto with respect to the subject matter hereof. All promises, inducements, offers, letters of intent, solicitation, agreements, commitments, representations and warranties made

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between such parties prior to this Agreement are superseded by this Agreement.
8.04. Captions. Captions, Sections and Article headings contained in this Agreement
are for convenience and reference only and in no way define, describe, extend or
limit the scope of this Agreement nor the intent of any provision hereof.

WITNESSETH the signatures of the parties, this the 22 day of April, 2003.

HARRISON COUNTY

CITY OF Gulfport

By: Mark J. Palmer
President

By: Ker Jenkins
Mayor

Attest: [Signature]
Clerk

Attest: [Signature]
Clerk

Attest: _____
Chancery Clerk

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI
COUNTY OF HARRISON

CERTIFICATE

I, JOHN McADAMS, Chancery Clerk and Ex-Officio Clerk of the Board of Supervisors in and for Harrison County, State of Mississippi, do hereby certify that the foregoing transcript is a true and correct copy of a Resolution/Order passed by the Board of Supervisors at their regular meeting held on the 14th day of July 2003 at the JULY 2003 TERM, as fully as on record in my office in Gulfport, Mississippi, of which I am the official custodian.

GIVEN under my hand and seal of said Board of Supervisors at my office in Gulfport, Mississippi this the 17th day of July 2003.

JOHN McADAMS, CHANCERY CLERK
EX-OFFICIO CLERK, HARRISON COUNTY
BOARD OF SUPERVISORS

BY: *Myraa Cody* D.C.

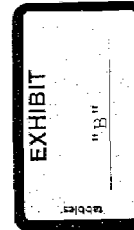
**GULFPORT FIRE DEPARTMENT (911 70% = \$267,330.00)
GULFPORT BID PRICING**

PORTABLE RADIOS - 54

QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
20	H9S85XE	LPE-200 Premium SYSTEM w/128 Systems/Groups	\$2,490.00	\$1,367.50	\$37,350.00
20		Orion ProVoice Upgrade including installation		\$547.50	\$10,950.00
34	H9S85XE	LPE-200 Premium Scan w/128 Systems/Groups	\$2,190.00	\$1,642.50	\$55,845.00
10	H9FH	LPE-200 High Capacity Battery, Intrinsically Safe	\$188.00	\$141.00	\$1,410.00
108		LPE-200 Medium Capacity Battery, Intrinsically Safe	\$172.00	\$129.00	\$13,932.00
54	H9HC7J	LPE-200 Leather Case with Swivel Mount & Belt Loop	\$112.00	\$84.00	\$4,536.00
54	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$6,885.00
54	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$88.25	\$4,657.50
54	PROG	Radio Programming	\$52.50	\$52.50	\$2,835.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$138,400.50
UPDATED 10/11/03					

MOBILE RADIOS - 49

QUANTITY	MODEL NUMBER	DESCRIPTION	LIST PRICE	COST PRICE	EXTENDED PRICE
6	D28LPXE	EDACS Orion 12 Watt Radio Unit - Front Mount / System Control Head / Mic / Antenna - Per bid sheet	\$3,270.00	\$2,377.50	\$14,265.00
2		Orion ProVoice Upgrade including installation		\$547.50	\$1,095.00
6	INST-RM	Rear Mount Installation & Programming - Per Bid Sheet		\$352.50	\$2,115.00
43	D28LTXE	EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$95,782.50
43	INST-FM	Front Mount Installation & Programming - Per Bid Sheet		\$240.00	\$10,320.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$123,577.50
UPDATED 10/11/03					



CONTROL STATIONS					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00
1	D26LTXE	EDACS Orion 12 Watt Radio Unit	\$2,320.00	\$1,740.00	\$1,740.00
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00
1	DB-493A	Three Element 800 MHz Yagi Antenna	\$88.00	\$68.20	\$68.20
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$180.00	\$144.00	\$144.00
1	49656A-3	Andrews Weatherproof Feedthrough for 1/2" Heliax	\$51.50	\$46.35	\$46.35
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Heliax Cable	\$62.50	\$56.25	\$56.25
1	AW204989-1	Grounding Kit for 1/2" Heliax Cable	\$23.00	\$20.70	\$20.70
1	AWL4NM	Connector for 1/2" Heliax Cable, Type N Male	\$32.00	\$28.80	\$28.80
1	AWL4NF	Connector for 1/2" Heliax Cable, Type N Female	\$32.00	\$28.80	\$28.80
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$89.00	\$74.70	\$74.70
1	F1PNM-h	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$56.25	\$56.25
1	INST-CS	Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25
1	PROG	Radio Programming	\$52.50	\$47.25	\$47.25
TOTAL PRICE FOR CONTROL STATION, INSTALLED				\$5,346.00	\$5,346.00
GRAND TOTAL REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT FIRE DEPARTMENT					\$267,324.00
UPDATED 10/11/03					
Approved: _____		Approved: _____			
Gulfport Fire Department		Harrison County 911 Commission			

BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
 DECEMBER 2003 TERM
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GULFPORT POLICE DEPARTMENT (911 70% Maximum = \$1,059,450.00)
CITY OF GULFPORT BID PRICES

PORTABLE RADIOS - 66					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
66	H9P85XE	LPE-200 ProVoice Premium System w/128 Sys/Grps/DES	\$3,840.00	\$2,730.00	\$180,180.00
0	H9P85XE	LPE-200 ProVoice Premium Scan w/128 Systems/Groups	\$2,840.00	\$2,130.00	\$0.00
0	H9NC1K	LPE-200 Antenna - Included w/radio in original purchase price	\$20.00	\$15.00	\$0.00
20	H9PA7L	LPE-200 High Capacity Battery - Total number ordered	\$188.00	\$141.00	\$2,820.00
109		LPE - 200 Medium Capacity Batery	\$172.00	\$129.00	\$14,061.00
66	H9HC7J	LPE-200 Leather Case with Swival Mount & Belt Loop	\$112.00	\$84.00	\$5,544.00
66	H9AE5E	Speaker/Microphone w/Emergency Button & Earpiece Jack	\$170.00	\$127.50	\$8,415.00
66	H9CH7T	Single Unit Desktop Rapid Charger	\$115.00	\$86.25	\$5,692.50
66	PROG	Radio Programming		\$52.50	\$3,465.00
TOTAL REIMBURSEMENT FOR PORTABLES AND ACCESSORIES					\$220,177.50
UPDATED 10/11/03					
MOBILE RADIOS - 250					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
20	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Rear Mount / DES/ System Control Head / Mic / Antenna - Per bid sheet	\$4,515.00	\$3,388.25	\$67,725.00
20	INST	Rear Mount Install - Includes Programming		\$240.00	\$4,800.00
80	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit - Front Mount / DES / System Control Head / Mic / Antenna - Per bid sheet	\$4,370.00	\$3,277.50	\$262,200.00
150		EDACS Orion 12 Watt Radio Unit - Front Mount / Scan Control Head / Mic / Antenna - Per Bid Sheet	\$2,970.00	\$2,227.50	\$334,125.00
150		Orion ProVoice Upgrade including installation		\$547.50	\$82,125.00
230	INST-D	Front Mount Installation - Includes Programming		\$195.00	\$44,850.00
TOTAL REIMBURSEMENT FOR MOBILES, INSTALLED					\$795,825.00
UPDATED 10/11/03					

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MOTORCYCLE RADIOS - 10					
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST
10		EDACS Orion 12 Wat: Radio Unit - Motorcycle Mount / Scan Head / Mic / Antenna - Per Bid Sheet		\$2,966.25	\$29,662.50
10	INST-M	Specia Motorcycle Installation / Radio Programming		\$240.00	\$2,400.00
10		Orion ProVoice Upgrade including Installation		\$547.50	\$5,475.00
TOTAL REIMBURSEMENT FOR MOTORCYCLE RADIOS, INSTALLED				\$3,753.75	\$37,537.50
UPDATED 10/11/03					

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

CONTROL STATIONS - 1						
QUANTITY	MODEL NUMBER	DESCRIPTION	LIST	COST	EXTENDED COST	
1	DSDX09	Orion Desktop Base, Digital Remote, Local Control	\$1,489.00	\$1,116.75	\$1,116.75	
1	ZE901-9497	Module, DDC-100 Digital Interface	\$700.00	\$630.00	\$630.00	
1	D28LPXE	EDACS Orion 12 Watt ProVoice Radio Unit	\$2,970.00	\$2,227.50	\$2,227.50	
1	D2PL5K	EDACS Orion ProFile Feature Upgrade	\$300.00	\$225.00	\$225.00	
1	D2CP5L	EDACS Orion Front Mount Control Unit	\$450.00	\$337.50	\$337.50	
1	D2MK3E	Keycap Kit for Scan Control Unit	\$25.00	\$18.75	\$18.75	
1	D2MC5A	EDACS Orion Desk Microphone	\$120.00	\$90.00	\$90.00	
1	D5-493A	Three Element 800 MHz Yagi Antenna	\$98.00	\$88.20	\$88.20	
1	IS-CT50HN-MA	Polyphaser Coaxial Surge Suppressor	\$160.00	\$144.00	\$144.00	
1	40656A-3	Andrews Weatherproof Feedthrough for 1/2" Heliax	\$51.50	\$46.35	\$46.35	
1	AWLDF4-50A	25 foot length of 1/2" Jacketed Copper Heliax Cable	\$62.50	\$56.25	\$56.25	
1	AW204989-1	Grounding Kit for 1/2" Heliax Cable	\$23.00	\$20.70	\$20.70	
1	AWL4NM	Connector for 1/2" Heliax Cable, Type N Male	\$32.00	\$28.80	\$28.80	
1	AWL4NF	Connector for 1/2" Heliax Cable, Type N Female	\$32.00	\$28.80	\$28.80	
1	AWFSJ1-50A	50 foot length of 1/4" Superflex Coaxial Cable	\$83.00	\$74.70	\$74.70	
1	F1PNM-H	Connector for 1/4" Superflex, Type N Male	\$15.00	\$13.50	\$13.50	
1	F1PNF-BH	Connector for 1/4" Superflex, Type N Female	\$15.00	\$13.50	\$13.50	
1	Harger 588	8 foot x 5/8" Copper Clad Steel Ground Rod	\$10.50	\$9.45	\$9.45	
1	CDT784133-5	25 foot length of #4 Gauge Green Ground Wire	\$62.50	\$55.25	\$55.25	
1		Assemble Orion into Cabinet and Install, Complete	\$622.50	\$560.25	\$560.25	
1		Radio Programming	\$52.50	\$47.25	\$47.25	
		TOTAL REIMBURSEMENT FOR CONTROL STATION, INSTALLED		\$5,833.50	\$5,833.50	
GRAND TOTAL OF REIMBURSEMENT FOR USER EQUIPMENT FOR GULFPORT POLICE DEPARTMENT					\$1,059,373.50	
UPDATED 10/11/03						
Approved: _____		Approved: _____				
Gulfport Police Department		Harrison County 911 Commission				

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

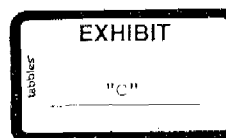
RESOLUTION AUTHORIZING PURCHASE OF
END-USER EQUIPMENT FOR COUNTY-WIDE PUBLIC SAFETY
COMMUNICATIONS SYSTEM FROM THE CITY OF GULFPORT, MISSISSIPPI,
AND REQUESTING THE HARRISON COUNTY BOARD OF SUPERVISORS
TO APPROVE SAME

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under the authority of Section 19-5-305, Mississippi Code of 1972 Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to Sections 19-5-301, et seq., Mississippi Code of 1972 Annotated, as amended; and

WHEREAS, the Board of Supervisors of Harrison County and the Governing Authority for the City of Gulfport found by Resolutions, dated July 14, 2003, and April 22, 2003, respectively, that the consolidated county-wide communications project is in the best interest of the citizens and public safety personnel of the City of Gulfport and of Harrison County, copies of these Resolutions are attached hereto as Exhibit "A"; and

WHEREAS, on April 22, 2003, the Board of Supervisors of Harrison County and the Governing Authority for the City of Gulfport entered into an Interlocal Cooperation Agreement to further implement a consolidated county-wide communications system and to establish a method by which Harrison County and the City of Gulfport could share the costs of purchasing the end-user equipment needed by the City of Gulfport for the communications system, a copy of this Interlocal Cooperation Agreement is included in Exhibit "A"; and

WHEREAS, under the provisions of the Interlocal Cooperation Agreement, the County and/or the Harrison County Emergency Communications Commission agreed to purchase seventy



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percent (70%) of the total amount of end-user equipment recommended by the 2003 Needs Assessment Study, not to exceed \$1,326,780.00; and

WHEREAS, the equipment list attached as Exhibit "A" to the Interlocal Cooperative Agreement has been updated and the updated version is included in Exhibit "B," attached hereto; and

WHEREAS, the City of Gulfport and the staff of the Harrison County Emergency Communications Commission have verified that the total amount due the City of Gulfport from Harrison County, pursuant to the terms of the Interlocal Cooperation Agreement is \$1,326,774.00, a copy of the final costs for the equipment is included in Exhibit "B";

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Harrison County Emergency Communications Commission as follows:

SECTION 1

The purchase of the end-user radio equipment identified in Exhibit "B" attached hereto at a cost of \$1,326,774.00 is consistent with the requirements of the Interlocal Cooperative Agreement between the Harrison County Board of Supervisors and the Governing Authority for the City of Gulfport.

SECTION 2

The Harrison County Emergency Communications Commission respectfully requests the Harrison County Board of Supervisors to authorize and approve the payment to the City of Gulfport for the end-user radio equipment in the amount of \$1,326,774.00.

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The above and foregoing Resolution pertaining to purchasing end-user equipment from the City of Gulfport, Mississippi, was introduced by Commissioner BORSIG, who moved the adoption of same. Said Motion was seconded by Commissioner DUBUISSON. Upon being put to vote, the results were as follows:

Chief GEORGE BASS, Long Beach Fire Department	<u>ABSENT</u>
Major LOU BISSONNETTE, Harrison County Sheriff's Department	<u>ABSENT</u>
JIM BORSIG, CAO for the City of Biloxi	<u>AYE</u>
MELVIN BRILLOSARA, Harrison County at Large	<u>AYE</u>
Commander RANDY BROWN, Gulfport Police Department	<u>AYE</u>
STEVE DELAHOUSEY, Emergency Medical Services	<u>AYE</u>
Chief JOHN DUBUISSON, Pass Christian Police Department	<u>AYE</u>

WHEREUPON, Chairman Steve Delahousey declared the motion carried and the resolution adopted on the 16th day of October, 2003.

**HARRISON COUNTY EMERGENCY
COMMUNICATIONS COMMISSION**

BY: Steve J. Delahousey

ATTEST:

Robert W. Gandy

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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ORDER AUTHORIZING PAYMENT
IN THE AMOUNT OF \$21,259.16 TO M/A - COM CRITICAL RADIO SYSTEMS, INC.

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, the Harrison County Emergency Communications Commission, with the authorization of the Harrison County Board of Supervisors, entered into a contract with M/A-COM Critical Radio Systems, Inc. on June 11, 2001, for the purchase and installation of components of a county-wide emergency communications system within Harrison County; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission found that all the communications systems, equipment, contracts, assignments, leases, warranties, licenses, and other assets, which are the subject of its contract with M/A-COM Critical Radio Systems, Inc., were reasonable and necessary for carrying out the purposes and intent of §§ 19-5-301 through 19-5-319 of the Mississippi Code of 1972 Annotated, as amended; and

WHEREAS, the Harrison County Board of Supervisors found by Resolution dated June 11, 2001, that the equipment and communications system was necessary for carrying out the purposes of the E-911 Act (§19-5-301, et seq. of the Mississippi Code of 1972 Annotated, as amended), within Harrison County; and

WHEREAS, the original contract between the Harrison County Board of Supervisors, Harrison County Emergency Communications Commission, and M/A-COM Critical Radio Systems, Inc., was for a total contract cost of SEVEN MILLION FIFTY TWO THOUSAND FIVE

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HUNDRED FIFTY SIX DOLLARS and 97/100 (\$7,052,556.97) which the Harrison County Board of Supervisors found to be fair market value; and

WHEREAS, since the contract date of June 11, 2001, the Harrison County Board of Supervisors have authorized the following Change Orders and Payments:

CONTRACT AMOUNT		PAYMENTS	
Original Contract	\$7,052,556.97	\$1,057,883.55	07/23/01
Change Order #1 - 10/01/01	-\$ 96,531.75	\$ 546,978.29	01/28/02
Change Order #2 - NO CHANGE to contract amount - 12/03/01	-0-	\$ 280,869.76	04/01/02
Change Order #3 - 05/13/02	+\$ 142,018.00	\$ 686,187.62	04/22/02
Change Order #4 - 10/28/02	+\$ 63,967.12	\$ 289,055.21	07/29/02
Change Order #5 - 10/28/02	+\$ 514,714.69	\$ 423,038.73	09/09/02
Change Order #6 - 03/24/03	+\$ 30,000.00	\$ 441,854.69	10/28/02
Change Order #7 - 03/24/03	+\$ 93,170.25	\$ 270,966.79	01/06/02
Change Order #8 - 03/24/03	+\$ 97,675.33	\$ 601,240.54	02/03/03
Total Contract Amount with Change Orders	\$7,897,570.61	\$ 217,322.49	05/05/03
		\$ 474,956.27	
		\$ 33,126.84	09/02/03
		\$ 162,751.49	
		\$ 259,315.27	
		\$ 333,330.02	10/27/03
		\$ 777,595.61	10/27/03
TOTAL PAYMENTS TO DATE		\$6,856,473.17	
AMOUNT REMAINING TO BE PAID		\$1,041,097.44	

and;

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

WHEREAS, pursuant to the provisions of the aforesaid contract approved by the Harrison County Board of Supervisors, M/A - COM Critical Radio Systems, Inc. has requested on Invoice No. HC00023, a partial payment of that portion of the payment schedule representing 45% of the contract price due M/A-COM upon delivery of system components in the amount of TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), all as more fully detailed on the attached copy which is incorporated herein as Exhibit "A"; and

WHEREAS, the Harrison County Board of Supervisors find that M/A-COM has complied with the contract with regard to the payment plan, as certified by the letter from Moses Engineers attached hereto and incorporated as Exhibit "B"; and

WHEREAS, the Harrison County Board of Supervisors find that the Communications Coordinator, Gil Bailey, has certified that M/A - COM Critical Radio Systems, Inc. is entitled to said payment in the sum of TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), as stated in his letter attached hereto and incorporated herein as Exhibit "C"; and

WHEREAS, the Harrison County Emergency Communications Commission found that M/A - COM Critical Radio Systems, Inc. is entitled to said payment in the sum of TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), by Resolution approved November 20, 2003, attached hereto as Exhibit "D"; and

WHEREAS, the Harrison County Board of Supervisors find that M/A - COM Critical Radio Systems, Inc., has complied with the Contract Provisions that are required for M/A - COM Critical Radio Systems, Inc. to receive said payment under the said contract in the amount of

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TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), leaving a balance of ONE MILLION NINETEEN THOUSAND EIGHT HUNDRED THIRTY EIGHT DOLLARS and 28/100 (\$1,019,838.28);

NOW THEREFORE, BE IT ORDERED by the Commissioners of the Harrison County Board of Supervisors as follows:

SECTION 1

The Harrison County Board of Supervisors authorize payment to M/A - COM Critical Radio Systems, Inc. in the amount of TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), which is a partial payment due M/A - COM under the terms of the payment schedule set forth in the contract, as soon as may be practicable, all in accordance with the terms of the contract.

The above and foregoing Order pertaining to the payment of Invoice No. HC00023 was introduced by Supervisor ROCKCO, who moved the adoption of same. Said Motion was seconded by Supervisor BENEFIELD. Upon being put to vote, the results were as follows:

Supervisor BOBBY ELEUTERIUS voted	<u>AYE</u>
Supervisor LARRY BENEFIELD voted	<u>AYE</u>
Supervisor MARLIN LADNER voted	<u>AYE</u>
Supervisor WILLIAM MARTIN voted	<u>ABSENT & EXCUSED</u>
Supervisor CONNIE ROCKCO voted	<u>AYE</u>

The motion having received the affirmative vote of a majority of the members present, the President of the Governing Body declared the motion carried and the Order adopted, on this the 8th day of December, 2003.

ORDERED on this the 8th day of December, 2003.

MINUTES

BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI

DECEMBER 2003 TERM

Nov 19 03 10:43a

HARRISON CO 911

228-831-0762

p. 4



M/A-COM Inc.
221 JEFFERSON RIDGE PARKWAY
LYNCHBURG VA 24501
FEDERAL ID # 65-0916944

SEND PAYMENT SHOWING INVOICE NO. & INVOICE DATE TO:
M/A-COM, Inc.
Dept. AT 40432
ATLANTA GA 31192-0432
DIRECT CORRESPONDENCE ONLY TO:
M/A-COM, Inc.
TAMARA HAWKINS
221 JEFFERSON RIDGE PARKWAY
LYNCHBURG, VIRGINIA 24501 (434) 455-0335
PAYMENT TERMS

CUSTOMER REFERENCE		ORDER DATE	OUR REFERENCE	NET 45	
CONTRACT DATED 6/11/01		6/11/2001	19123	INVOICE NUMBER	110703
CUSTOMER			DELIVERY ADDRESS (MAY VARY FROM ORDER)		
HARRISON COUNTY EMERGENCY COMMUNICATIONS COMMISSION ATTN: MR. GIL BAILEY 15309B COMMUNITY ROAD GULFPORT, MS 39503			HARRISON COUNTY EMERGENCY COMMUNICATIONS COMMISSION ATTN: MR. GIL BAILEY 15309B COMMUNITY ROAD GULFPORT, MS 39503		
SHIPPING REFERENCE NO.		DATE SHIPPED	SHIPPED FROM	SHIPPED BY	TERMS OF DELIVERY
ITEM NO.	DESCRIPTION	NOTE	QUANTITY	UNIT PRICE	EXTENDED AMOUNT
C444	TO INVOICE THE COUNTY OF HARRISON FOR FORTY-FIVE PERCENT (45%) OF CONTRACT PRICE DUE AT DELIVERY OF SYSTEM COMPONENTS TO YOUR PREMISES PER ITS PURCHASE PAYMENT SCHEDULE. <i>IN ACCORDANCE WITH SEC 4 PRICING (PARTS DETAIL REPORT) CONTAINED IN MAY 14, 2001 HARRISON COUNTY EDACS SYSTEM EXPANSION (MRP 21149)</i>				
	Vendor & Services Systemwire Services (System Engr, Project Mgmt, etc.)		1	46,792.57	46,792.57
	BILOXI Harrison County Consoles (corrects \$450.00 credit on invoice MFMINV19A allowed due to transposition error on spreadsheet)		1	450.00	450.00
	Subtotal				47,242.57
	Less 15% Advance				7,086.39
	Less 30% Due on Installation				14,172.77
	Less 10% due on Acceptance				4,729.26
				TOTAL AMOUNT	\$ 21,259.16

M/A-COM, INC. IS AN EQUAL OPPORTUNITY EMPLOYER
M/A-COM, INC. IS AN EQUAL OPPORTUNITY EMPLOYER
M/A-COM, INC. IS AN EQUAL OPPORTUNITY EMPLOYER

AN EQUAL OPPORTUNITY EMPLOYER



Harrison County
 C444 C 51
 19123
 45% Invoice HC00023 Detail

	Revised Contract Value Chg Ord #	Previously Invoiced	This Period	Less 30% Install	Less 15% Advance	Less: 10% Final Acceptance	45% Amount Due This Invoice	Total Invoiced to Date	Balance to Invoice
BiToxi									
Ancillary Multiplexers	\$ 42,069.60	\$ 42,069.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,069.60	\$ -
Backup Control Station	\$ 64,460.60	\$ 64,460.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64,460.60	\$ -
Control Point	\$ 79,633.40	\$ 79,633.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 79,633.40	\$ -
BiToxi North	\$ 341,384.76	\$ 341,384.76	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,384.76	\$ -
BiToxi South	\$ 561,688.31	\$ 561,688.31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 561,688.31	\$ -
Fire Station Paging	\$ 224,071.60	\$ 224,071.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,071.60	\$ -
Harrison County Exp Console	\$ 300,715.10	\$ 324,240.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,240.10	\$ (23,525.00)
Harrison County Consoles	\$ 29,273.40	\$ 28,823.40	\$ 450.00	\$ (135.00)	\$ (67.50)	\$ (45.00)	\$ 202.50	\$ 29,273.40	\$ -
Interoperability	\$ 63,172.36	\$ 63,172.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,172.36	\$ 23,525.00
Harrison/Gulfport									
DEC to IMC Upgrade	\$ 548,167.70	\$ 548,167.70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,167.70	\$ -
Control PI Upgrade -Gulfport	\$ 289,371.10	\$ 289,371.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 289,371.10	\$ -
CSD350 to CSD500 Upgrade	\$ 57,715.00	\$ 57,715.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,715.00	\$ -
North Site Upgrade	\$ 248,475.60	\$ 248,475.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,475.60	\$ -
South Site Upgrade	\$ 248,475.60	\$ 248,475.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 248,475.60	\$ -
Harrison GP West									
GP West	\$ 504,327.04	\$ 504,327.04	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 504,327.04	\$ -
Vendor & Services									
BiToxi North	\$ 938,181.15	\$ 938,181.15	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 938,181.15	\$ -
Chg Ord No. 1 To BiToxi North Vendor	\$ (96,531.75)	\$ (96,531.75)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (96,531.75)	\$ -
BiToxi South	\$ 451,171.35	\$ 451,171.35	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,171.35	\$ -
Gulfport North	\$ 283,784.60	\$ 283,784.60	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,784.60	\$ -
Gulfport South	\$ 21,867.30	\$ 21,867.30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,867.30	\$ -
Gulfport West	\$ 347,831.55	\$ 347,831.55	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 347,831.55	\$ -
Systemwide	\$ 1,341,442.85	\$ 1,294,649.82	\$ 46,793.03	\$ (14,037.81)	\$ (7,018.95)	\$ (4,879.30)	\$ 21,056.86	\$ 1,341,442.85	\$ -
SCAT Options	\$ 41,754.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,754.10
Change Order 3									
EDG Equipment	\$ 99,827.50	\$ 99,827.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,827.50	\$ -
Profile System	\$ 12,155.50	\$ 12,155.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,155.50	\$ -
Services	\$ 30,036.00	\$ 30,034.99	\$ 0.01	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ 0.00	\$ 30,036.00	\$ -
CHANGE ORDER 4	\$ 63,967.12	\$ 63,967.12	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,967.12	\$ -
CHANGE ORDER 5	\$ 514,714.69	\$ 514,714.69	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 514,714.69	\$ -
CHANGE ORDER 6	\$ 30,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -

BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
 DECEMBER 2003 TERM
 MINUTES

Nov 19 03 10:43a

HARRISON CO 911

228-831-0762

P.5

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Nov 19 03 10:42a

HARRISON CO 911

228-831-0762

p. 2



November 18, 2003

Mr. Gil Bailey
Harrison County Emergency Communications Commission
15309B Community Road
Gulfport, MS 39503

Reference: Harrison County 800MHz Trunked Radio System
MRI File No.: 2000-007-01

Subject: M/A-COM Invoice HC-00023 & HC-00024

Dear Gil,

We have reviewed the enclosed M/A-COM Invoice Submittals, HC-00023 and HC-00024, for the amounts of \$21,259.16 and \$198,765.28 respectively. These appear to be accurate and we recommend that they be processed for payment.

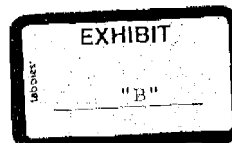
Please advise if further information or assistance is required.

Sincerely,

D.F. Tusa

CONSULTING ENGINEERS

Mechanical
Electrical
Telecommunications
909 Foyelles Street, Suite 2150
New Orleans, Louisiana 70112-1034
Tel: 504.586-1775
Fax: 504.586-1846
www.MOSESENGINEERS.com



NOV 18 2003 07:42AM DT

PHONE NO. : 504 892 2075

FROM : D.F. TUSA KSEF

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

NOV 19 03 10:43a

HARRISON CO 911

228-831-0762

P. 3

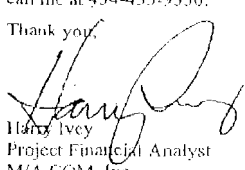
11/7/2003

Harrison County Emergency Communications Commission
15309-B Community Road
Gulfport, MS 39503

Dear Sirs:

I am writing in reference to scope of work billed on M/A Com invoice HC00023. This invoice is for 45% of contract value for equipment delivered. If you should have any questions regarding this invoice, please call me at 434-455-9336.

Thank you,



Hank Ivey
Project Financial Analyst
M/A COM, Inc
434-455-9336 Voice
434-455-6816 Fax

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM



**Harrison County Emergency
Communications Commission**

15309-B Community Road, Gulfport, Mississippi 39503
Phone (228) 831-0760 • Fax (228) 831-0762
e-mail address: harrison911@co.harrison.ms.us

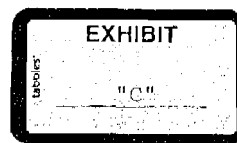
TO: 911 Commission Members

FROM: Robert Bailey, Technical Manager *RGB*

RE: M/A-Com Invoices # HC00023 & HC00024

DATE: November 18, 2003

I have reviewed these invoices and have confirmed that the described work has been completed in a satisfactory manor and I recommend payment of these invoices.



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

RESOLUTION AUTHORIZING PAYMENT
IN THE AMOUNT OF \$21,259.16 TO M/A - COM CRITICAL RADIO SYSTEMS, INC.
AND REQUESTING THE BOARD OF SUPERVISORS OF HARRISON
COUNTY, MISSISSIPPI TO MAKE SUCH PAYMENT

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, the Harrison County Emergency Communications Commission, with the authorization of the Harrison County Board of Supervisors, entered into a contract with M/A-COM Critical Radio Systems, Inc. on June 11, 2001, for the purchase and installation of components of a county-wide emergency communications system within Harrison County; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission found that all the communications systems, equipment, contracts, assignments, leases, warranties, licenses, and other assets, which are the subject of its contract with M/A-COM Critical Radio Systems, Inc., were reasonable and necessary for carrying out the purposes and intent of §§ 19-5-301 through 19-5-319 of the Mississippi Code of 1972 Annotated, as amended; and

WHEREAS, the Harrison County Board of Supervisors found by Resolution dated June 11, 2001, that the equipment and communications system was necessary for carrying out the purposes of the E-911 Act (§19-5-301, et seq. of the Mississippi Code of 1972 Annotated, as amended), within Harrison County; and

WHEREAS, the original contract between the Harrison County Board of Supervisors, Harrison County Emergency Communications Commission, and M/A-COM Critical Radio Systems,



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Inc., was for a total contract cost of SEVEN MILLION FIFTY TWO THOUSAND FIVE HUNDRED FIFTY SIX DOLLARS and 97/100 (\$7,052,556.97) which the Harrison County Board of Supervisors found to be fair market value; and

WHEREAS, since the contract date of June 11, 2001, the Harrison County Board of Supervisors have authorized the following Change Orders and Payments:

CONTRACT AMOUNT		PAYMENTS	
Original Contract	\$7,052,556.97	\$1,057,883.55	07/23/01
Change Order #1 - 10/01/01	-\$ 96,531.75	\$ 546,978.29	01/28/02
Change Order #2 - NO CHANGE to contract amount - 12/03/01	-0-	\$ 280,869.76	04/01/02
Change Order #3 - 05/13/02	+\$ 142,018.00	\$ 686,187.62	04/22/02
Change Order #4 - 10/28/02	+\$ 63,967.12	\$ 289,055.21	07/29/02
Change Order #5 - 10/28/02	+\$ 514,714.69	\$ 423,038.73	09/09/02
Change Order #6 - 03/24/03	+\$ 30,000.00	\$ 441,854.69	10/28/02
Change Order #7 - 03/24/03	+\$ 93,170.25	\$ 270,966.79	01/06/02
Change Order #8 - 03/24/03	+\$ 97,675.33	\$ 601,240.54	02/03/03
Total Contract Amount with Change Orders	\$7,897,570.61	\$ 217,322.49	05/05/03
		\$ 474,956.27	
		\$ 33,126.84	09/02/03
		\$ 162,751.49	
		\$ 259,315.27	
		\$ 333,330.02	10/27/03
		\$ 777,595.61	10/27/03
TOTAL PAYMENTS TO DATE		\$6,856,473.17	
AMOUNT REMAINING TO BE PAID		\$1,041,097.44	

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

and,

WHEREAS, pursuant to the provisions of the aforesaid contract approved by the Harrison County Board of Supervisors, M/A - COM Critical Radio Systems, Inc. has requested on Invoice No. HC00023, a partial payment of that portion of the payment schedule representing 45% of the contract price due M/A-COM upon delivery of system components in the amount of TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), all as more fully detailed on the attached copy which is incorporated herein as **Exhibit "A"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that M/A-COM has complied with the contract with regard to the payment plan, as certified by the letter from Moses Engineers attached hereto and incorporated as **Exhibit "B"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that the Communications Coordinator, Gil Bailey, has certified that M/A - COM Critical Radio Systems, Inc. is entitled to said payment in the sum of TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), as stated in his letter attached hereto and incorporated herein as **Exhibit "C"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that M/A - COM Critical Radio Systems, Inc., has complied with the Contract Provisions that are required for M/A - COM Critical Radio Systems, Inc. to receive said payment under the said contract in the amount of TWENTY ONE THOUSAND TWO HUNDRED

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

FIFTY NINE DOLLARS and 16/100 (\$21,259.16), leaving a balance of ONE MILLION NINETEEN THOUSAND EIGHT HUNDRED THIRTY EIGHT DOLLARS and 28/100 (\$1,019,838.28);

NOW THEREFORE, BE IT RESOLVED by the Commissioners of the Harrison
- County Emergency Communications Commission as follows:

SECTION 1

The Commissioners of Harrison County Emergency Communications Commission respectfully request the Harrison County Board of Supervisors to issue payment to M/A - COM Critical Radio Systems, Inc. in the amount of TWENTY ONE THOUSAND TWO HUNDRED FIFTY NINE DOLLARS and 16/100 (\$21,259.16), which is a partial payment due M/A-COM under the terms of the payment schedule set forth in the contract, at the next meeting of the Harrison County Board of Supervisors, or as soon thereafter as may be practicable, all in accordance with the terms of the contract.

RESOLVED on this the 20th day of November, 2003.

The above and foregoing Resolution pertaining to M/A-COM Invoice No. HC00023 was introduced by Commissioner Bass, who moved the adoption of same. Said Motion was seconded by Commissioner Bissonette. Upon being put to vote, the results were as follows:

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

ORDER AUTHORIZING PAYMENT
IN THE AMOUNT OF \$198,765.28 TO M/A - COM CRITICAL RADIO SYSTEMS, INC.

WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, the Harrison County Emergency Communications Commission, with the authorization of the Harrison County Board of Supervisors, entered into a contract with M/A-COM Critical Radio Systems, Inc. on June 11, 2001, for the purchase and installation of components of a county-wide emergency communications system within Harrison County; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission found that all the communications systems, equipment, contracts, assignments, leases, warranties, licenses, and other assets, which are the subject of its contract with M/A-COM Critical Radio Systems, Inc., were reasonable and necessary for carrying out the purposes and intent of §§ 19-5-301 through 19-5-319 of the Mississippi Code of 1972 Annotated, as amended; and

WHEREAS, the Harrison County Board of Supervisors found by Resolution dated June 11, 2001, that the equipment and communications system was necessary for carrying out the purposes of the E-911 Act (§19-5-301, et seq. of the Mississippi Code of 1972 Annotated, as amended), within Harrison County; and

WHEREAS, the original contract between the Harrison County Board of Supervisors, Harrison County Emergency Communications Commission, and M/A-COM Critical Radio Systems, Inc., was for a total contract cost of SEVEN MILLION FIFTY TWO THOUSAND FIVE

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

HUNDRED FIFTY SIX DOLLARS and 97/100 (\$7,052,556.97) which the Harrison County Board of Supervisors found to be fair market value; and

WHEREAS, since the contract date of June 11, 2001, the Harrison County Board of Supervisors have authorized the following Change Orders and Payments.

CONTRACT AMOUNT		PAYMENTS	
Original Contract	\$7,052,556.97	\$1,057,883.55	07/23/01
Change Order #1 - 10/01/01	\$ 96,531.75	\$ 546,978.29	01/28/02
Change Order #2 - NO CHANGE to contract amount - 12/03/01	-0-	\$ 280,869.76	04/01/02
Change Order #3 - 05/13/02	+ \$ 142,018.00	\$ 686,187.62	04/22/02
Change Order #4 - 10/28/02	-\$ 63,967.12	\$ 289,055.21	07/29/02
Change Order #5 - 10/28/02	+ \$ 514,714.69	\$ 423,038.73	09/09/02
Change Order #6 - 03/24/03	+\$ 30,000.00	\$ 441,854.69	10/28/02
Change Order #7 - 03/24/03	+\$ 93,170.25	\$ 270,966.79	01/06/02
Change Order #8 - 03/24/03	+\$ 97,675.33	\$ 601,240.54	02/03/03
Total Contract Amount with Change Orders	\$7,897,570.61	\$ 217,322.49	05/05/03
		\$ 474,956.27	
		\$ 33,126.84	09/02/03
		\$ 162,751.49	
		\$ 259,315.27	
		\$ 333,330.02	10/27/03
		\$ 777,595.61	10/27/03
		\$ 21,259.16	Resolution 11/20/03
TOTAL PAYMENTS TO DATE		\$6,877,932.33	
AMOUNT REMAINING TO BE PAID		\$1,019,838.28	

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

and;

WHEREAS, pursuant to the provisions of the aforesaid contract approved by the Harrison County Board of Supervisors, M/A - COM Critical Radio Systems, Inc. has requested on Invoice No. HC00024, a partial payment of that portion of the payment schedule representing 30% of the contract price due M/A-COM upon installation of system components in the amount of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), all as more fully detailed on the attached copy which is incorporated herein as **Exhibit "A"**; and

WHEREAS, the Harrison County Board of Supervisors finds that M/A-COM has complied with the contract with regard to the payment plan, as certified by the letter from Moses Engineers attached hereto and incorporated as **Exhibit "B"**; and

WHEREAS, the Harrison County Board of Supervisors finds that the Communications Coordinator, Gil Bailey, has certified that M/A - COM Critical Radio Systems, Inc. is entitled to said payment in the sum of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), as stated in his letter attached hereto and incorporated herein as **Exhibit "C"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission found that M/A - COM Critical Radio Systems, Inc., has complied with the Contract Provisions that are required for M/A - COM Critical Radio Systems, Inc. to receive said payment under the said contract in the amount of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), leaving a balance of EIGHT HUNDRED TWENTY ONE THOUSAND SEVENTY THREE DOLLARS

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

and 00/100 (\$821,073.00) by Resolution, dated November 20, 2003, and attached hereto as Exhibit "D";

NOW THEREFORE, BE IT ORDERED by the Harrison County Board of Supervisors as follows:

SECTION 1

The Harrison County Board of Supervisors authorize payment to M/A-COM Critical Radio Systems, Inc. in the amount of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), which is a partial payment due M/A-COM under the terms of the payment schedule set forth in the contract, as soon thereafter as may be practicable, all in accordance with the terms of the contract.

The above and foregoing Order pertaining to the M/A-COM Invoice No. HC00024 was introduced by Supervisor BENEFLELD, who moved the adoption of same. Said Motion was seconded by Supervisor ROCKCO. Upon being put to vote, the results were as follows:

Supervisor BOBBY ELEUTERIUS voted	<u>AYE</u>
Supervisor LARRY BENEFIELD voted	<u>AYE</u>
Supervisor MARLIN LADNER voted	<u>AYE</u>
Supervisor WILLIAM MARTIN voted	<u>ABSENT & EXCUSED</u>
Supervisor CONNIE ROCKCO voted	<u>AYE</u>

The motion having received the affirmative vote of a majority of the members present, the President of the Governing Body declared the motion carried and the Order adopted, on this the 8th day of December, 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM



MACOM Inc.
 221 JEFFERSON RIDGE PARKWAY
 LYNDHURST VA 24501
 FEDERAL ID # 85 0316944

SEND PAYMENT TO: (PRINTING INVOICE NO. & INVOICE DATE TO)
 LVA COM, Inc.
 Dept. AT 48432
 ATLANTA GA 31192 0432
 DIRECT CORRESPONDENCE ONLY TO:
 MACOM, Inc.
 Harry Hwy
 221 JEFFERSON RIDGE PARKWAY
 LYNDHURST, VIRGINIA 24501 (834) 455-9336
 PAYMENT TERMS:
NET 45

CUSTOMER REFERENCE		ORDER DATE	OUR REFERENCE	INVOICE NUMBER	INVOICE DATE
CONTRACT DATED 6/3/01		6/11/2001	19123	LIC00024	11/07/03
CUSTOMER			DELIVERY ADDRESS (if other than customer)		
HARRISON COUNTY EMERGENCY COMMUNICATIONS COMMISSION ATTN: MR. GIL BAILEY 15309B COMMUNITY ROAD GULFPORT, MS 39503			HARRISON COUNTY EMERGENCY COMMUNICATIONS COMMISSION ATTN: MR. GIL BAILEY 15309B COMMUNITY ROAD GULFPORT, MS 39503		
SHIPPING REFERENCE NO.		DATE SHIPPED	SHIPPED FROM	SHIPPED BY	TERMS OF DELIVERY
ITEM NO.	DESCRIPTION	NOTE	QUANTITY	UNIT PRICE	EXTENDED AMOUNT
C444	TO INVOICE THE COUNTY OF HARRISON FOR THIRTY PERCENT (30%) OF CONTRACT PRICE DUE AT INSTALLATION OF SYSTEM COMPONENTS PER 1.5 PURCHASE PAYMENT SCHEDULE IN ACCORDANCE WITH SEC 4 PRICING (PARTS DETAIL REPORT) CONTAINED IN MAY 14, 2001 HARRISON COUNTY EDACS SYSTEM EXPANSION (MBP 21149)				
	BILOXI				
	Backup Control Station		1	64,460.50	64,460.50
	Harrison County Exp Console		1	300,715.10	300,715.10
	Harrison County Consoles		1	29,273.40	29,273.40
	Harris/Gulfport				
	Control Port Upgrade		1	-0.01	0.01
	HARRISON GP WEST				
	GP West (Overbilled)		1	-10,000.00	-10,000.00
	VENDOR & SERVICES				
	Systemwide		1	180,426.60	180,426.60
	Change Order 8				
			1	97,675.33	97,675.33
	Subtotal				662,550.02
	LESS 15% Advance				-99,382.64
	Less 45% due on Shipment				298,147.91
	Less 10% due on Acceptance				66,255.00
TOTAL AMOUNT					\$ 198,765.28

BY ORDER OF THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI
 BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI
 BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI
 BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI

AN EQUAL OPPORTUNITY EMPLOYER



Harrir County
 C444 33551
 19123
 30% Invoice HC00022 Billing Detail

	Revised Contract Value Chg Ord #	Previously Invoiced	This Period	Less 15% Advance	Less 45% Install	Less: 10% Final Acceptance	30% Amount Due This Invoice	Total Invoiced to Date	Balance to Invoice
Biloxi									
Ancillary Multiplexers	\$ 42,089.60	\$ 42,089.60		\$ -	\$ -	\$ -	\$ -	\$ 42,089.60	\$ -
Backup Control Station	\$ 64,480.50	\$ -	\$ 64,480.50	\$ (9,669.08)	\$ (29,007.23)	\$ (6,448.05)	\$ 19,338.15	\$ 19,338.15	\$ 45,122.35
Control Point	\$ 79,833.40	\$ 79,833.40		\$ -	\$ -	\$ -	\$ -	\$ 79,833.40	\$ -
Biloxi North	\$ 341,364.76	\$ 341,364.76		\$ -	\$ -	\$ -	\$ -	\$ 341,364.76	\$ -
Biloxi South	\$ 581,686.31	\$ 581,686.31		\$ -	\$ -	\$ -	\$ -	\$ 581,686.31	\$ -
Fire Station Paging	\$ 224,071.80	\$ 224,071.80		\$ -	\$ -	\$ -	\$ -	\$ 224,071.80	\$ -
Harrison County Exp Console	\$ 300,715.10	\$ -	\$ 300,715.10	\$ (45,107.27)	\$ (135,921.80)	\$ (30,071.51)	\$ 90,214.53	\$ 90,214.53	\$ 210,500.57
Harrison County Consoles	\$ 29,273.40	\$ -	\$ 29,273.40	\$ (4,391.01)	\$ (13,173.00)	\$ (2,927.34)	\$ 8,782.02	\$ 8,782.02	\$ 20,491.38
Interoperability	\$ 86,697.36	\$ 86,697.36		\$ -	\$ -	\$ -	\$ -	\$ 86,697.36	\$ -
Harrison/Gulfport									
CEC to IMC Upgrade	\$ 548,167.70	\$ 548,167.70		\$ -	\$ -	\$ -	\$ -	\$ 548,167.70	\$ -
Control Pt Upgrade - Gulfport	\$ 289,371.10	\$ 289,371.11	\$ (0.01)	\$ 0.00	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ 289,371.11	\$ (0.01)
CSD300 to CSD500 Upgrade	\$ 57,715.00	\$ 57,715.00		\$ -	\$ -	\$ -	\$ -	\$ 57,715.00	\$ -
North Site Upgrade	\$ 248,475.60	\$ 248,475.60		\$ -	\$ -	\$ -	\$ -	\$ 248,475.60	\$ -
South Site Upgrade	\$ 248,475.60	\$ 248,475.60		\$ -	\$ -	\$ -	\$ -	\$ 248,475.60	\$ (9.00)
Harrison GP West									
GP West	\$ 504,327.04	\$ 514,327.04	\$ (10,000.00)	\$ 1,500.00	\$ 4,500.00	\$ 1,000.00	\$ (3,000.00)	\$ 511,327.04	\$ (7,000.00)
Vendor & Services									
Biloxi North	\$ 936,181.15	\$ 936,181.15		\$ -	\$ -	\$ -	\$ -	\$ 936,181.15	\$ -
Chg Ord No. 1 To Biloxi North Vendor	\$ (96,531.75)	\$ (96,531.75)		\$ -	\$ -	\$ -	\$ -	\$ (96,531.75)	\$ -
Biloxi South	\$ 451,171.35	\$ 451,171.35		\$ -	\$ -	\$ -	\$ -	\$ 451,171.35	\$ -
Gulfport North	\$ 263,784.60	\$ 263,784.60		\$ -	\$ -	\$ -	\$ -	\$ 263,784.60	\$ -
Gulfport South	\$ 21,567.30	\$ 21,567.30		\$ -	\$ -	\$ -	\$ -	\$ 21,567.30	\$ -
Gulfport West	\$ 347,831.55	\$ 347,831.55		\$ -	\$ -	\$ -	\$ -	\$ 347,831.55	\$ -
Systemwide	\$ 1,341,442.85	\$ 1,161,016.25	\$ 180,426.60	\$ (27,063.99)	\$ (81,191.97)	\$ (18,042.66)	\$ 54,127.98	\$ 1,215,144.23	\$ 128,298.62
SCAT Options	\$ 41,754.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,754.10
Change Order 3									
EDG Equipment	\$ 99,827.50	\$ 99,827.50		\$ -	\$ -	\$ -	\$ -	\$ 99,827.50	\$ -
Profile System	\$ 12,155.60	\$ 12,155.60		\$ -	\$ -	\$ -	\$ -	\$ 12,155.60	\$ -
Services	\$ 30,035.00	\$ 30,035.00		\$ -	\$ -	\$ -	\$ -	\$ 30,035.00	\$ -
CHANGE ORDER 4									
	\$ 63,967.12	\$ 63,967.12		\$ -	\$ -	\$ -	\$ -	\$ 63,967.12	\$ -
CHANGE ORDER 5									
	\$ 514,714.69	\$ 514,714.69		\$ -	\$ -	\$ -	\$ -	\$ 514,714.69	\$ -
CHANGE ORDER 6									
	\$ 30,000.00	\$ 30,000.00		\$ -	\$ -	\$ -	\$ -	\$ 30,000.00	\$ -

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

CHA. ORDER 6	\$ 67,675.93	\$ -	\$ 67,675.93	\$ (14,851.90)	\$ 143,532.50	\$ 19,757.50	\$ 39,302.60	\$ 39,302.50
Total:	\$ 7,487,570.61	\$ 7,193,268.59	\$ 562,550.92	\$ (39,302.54)	\$ (255,147.51)	\$ (69,256.06)	\$ 188,765.27	\$ 7,392,033.19

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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November 18, 2003

Mr. Gil Bailey
Harrison County Emergency Communications Commission
15309B Community Road
Gulfport, MS 39503

Reference: Harrison County 300MHz Trunked Radio System
MEI File No.: 2000-007-01

Subject: M/A-COM Invoice HC-00023 & HC-00024

Dear Gil,

We have reviewed the enclosed M/A-COM Invoice Submittals, HC-00023 and HC-00024, for the amounts of \$21,259.16 and \$198,765.28 respectively. These appear to be accurate and we recommend that they be processed for payment.

Please advise if further information or assistance is required.

Sincerely,

D.F. Tusa

CONSULTING ENGINEERS

Mechanical
Electrical
Telecommunications
909 Poydras Street, Suite 2150
New Orleans, Louisiana 70112-1034
Tel: 504-586-1225
Fax: 504-586-1846
e-mail: MOSES@MOSESENGINEERS.com



MINUTES
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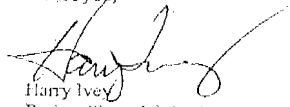
11/7/2003

Harrison County Emergency Communications Commission
15309-B Community Road
Gulfport, MS 39503

Dear Sirs:

I am writing in reference to scope of work billed on M/A Com invoice HC00024. This invoice is for 30% of contract value for equipment installed. If you should have any questions regarding this invoice, please call me at 434-455-9336.

Thank you,


Harry Ivey
Project Financial Analyst
M/A COM, Inc
434-455-9336 Voice
434-455-6816 Fax

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM



**Harrison County Emergency
Communications Commission**

15309-B Community Road, Gulfport, Mississippi 39503
Phone (228) 831-0760 • Fax (228) 831-0762
e-mail address: harrison911@co.harrison.ms.us

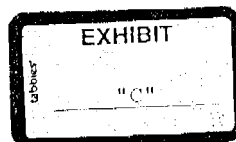
TO: 911 Commission Members

FROM: Robert Bailey, Technical Manager *RGB*

RE: M/A-Com Invoices # HC00023 & HC00024

DATE: November 18, 2003

I have reviewed these invoices and have confirmed that the described work has been completed in a satisfactory manor and I recommend payment of these invoices.



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

RESOLUTION AUTHORIZING PAYMENT
IN THE AMOUNT OF \$198,765.28 TO M/A - COM CRITICAL RADIO SYSTEMS, INC.
AND REQUESTING THE BOARD OF SUPERVISORS OF HARRISON
COUNTY, MISSISSIPPI TO MAKE SUCH PAYMENT

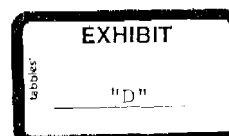
WHEREAS, the Harrison County Emergency Communications Commission was created by the Board of Supervisors under authority of §19-5-305, Mississippi Code Annotated, as amended, and the Harrison County Emergency Communications Commission is governed and empowered according to §§ 19-5-301, et seq., Mississippi Code Annotated, as amended; and

WHEREAS, the Harrison County Emergency Communications Commission, with the authorization of the Harrison County Board of Supervisors, entered into a contract with M/A-COM Critical Radio Systems, Inc. on June 11, 2001, for the purchase and installation of components of a county-wide emergency communications system within Harrison County; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission found that all the communications systems, equipment, contracts, assignments, leases, warranties, licenses, and other assets, which are the subject of its contract with M/A-COM Critical Radio Systems, Inc., were reasonable and necessary for carrying out the purposes and intent of §§ 19-5-301 through 19-5-319 of the Mississippi Code of 1972 Annotated, as amended; and

WHEREAS, the Harrison County Board of Supervisors found by Resolution dated June 11, 2001, that the equipment and communications system was necessary for carrying out the purposes of the E-911 Act (§19-5-301, et seq. of the Mississippi Code of 1972 Annotated, as amended), within Harrison County; and

WHEREAS, the original contract between the Harrison County Board of Supervisors, Harrison County Emergency Communications Commission, and M/A-COM Critical Radio Systems,



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Ine. was for a total contract cost of SEVEN MILLION FIFTY TWO THOUSAND FIVE HUNDRED FIFTY SIX DOLLARS and 97/100 (\$7,052,556.97) which the Harrison County Board of Supervisors found to be fair market value; and

WHEREAS, since the contract date of June 11, 2001, the Harrison County Board of Supervisors have authorized the following Change Orders and Payments:

CONTRACT AMOUNT		PAYMENTS	
Original Contract	\$7,052,556.97	\$1,057,883.55	07/23/01
Change Order #1 - 10/01/01	-\$ 96,531.75	\$ 546,978.29	01/28/02
Change Order #2 - NO CHANGE to contract amount - 12/03/01	-0-	\$ 280,869.76	04/01/02
Change Order #3 - 05/13/02	+\$ 142,018.00	\$ 686,187.62	04/22/02
Change Order #4 - 10/28/02	+\$ 63,967.12	\$ 289,055.21	07/29/02
Change Order #5 - 10/28/02	+\$ 514,714.69	\$ 423,038.73	09/09/02
Change Order #6 - 03/24/03	+\$ 30,000.00	\$ 441,854.69	10/28/02
Change Order #7 - 03/24/03	+\$ 93,170.25	\$ 270,966.79	01/06/02
Change Order #8 - 03/24/03	+\$ 97,675.33	\$ 601,240.54	02/03/03
Total Contract Amount with Change Orders	\$7,897,570.61	\$ 217,322.49	05/05/03
		\$ 474,956.27	
		\$ 33,126.84	09/02/03
		\$ 162,751.49	
		\$ 259,315.27	
		\$ 333,330.02	10/27/03
		\$ 777,595.61	10/27/03
		\$ 21,259.16	Resolution 11/20/03
TOTAL PAYMENTS TO DATE		\$6,877,932.33	

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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CONTRACT AMOUNT	PAYMENTS
AMOUNT REMAINING TO BE PAID	\$1,019,838.28

and;

WHEREAS, pursuant to the provisions of the aforesaid contract approved by the Harrison County Board of Supervisors, M/A - COM Critical Radio Systems, Inc. has requested on Invoice No. HC00024, a partial payment of that portion of the payment schedule representing 30% of the contract price due M/A-COM upon installation of system components in the amount of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), all as more fully detailed on the attached copy which is incorporated herein as **Exhibit "A"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that M/A-COM has complied with the contract with regard to the payment plan, as certified by the letter from Moses Engineers attached hereto and incorporated as **Exhibit "B"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that the Communications Coordinator, Gil Bailey, has certified that M/A - COM Critical Radio Systems, Inc. is entitled to said payment in the sum of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), as stated in his letter attached hereto and incorporated herein as **Exhibit "C"**; and

WHEREAS, the Commissioners of the Harrison County Emergency Communications Commission find that M/A - COM Critical Radio Systems, Inc., has complied with the Contract

MINUTES
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Provisions that are required for M/A - COM Critical Radio Systems, Inc. to receive said payment under the said contract in the amount of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), leaving a balance of EIGHT HUNDRED TWENTY ONE THOUSAND SEVENTY THREE DOLLARS and 00/100 (\$821,073.00);

NOW THEREFORE, BE IT RESOLVED by the Commissioners of the Harrison County Emergency Communications Commission as follows:

SECTION 1

The Commissioners of Harrison County Emergency Communications Commission respectfully request the Harrison County Board of Supervisors to issue payment to M/A - COM Critical Radio Systems, Inc. in the amount of ONE HUNDRED NINETY EIGHT THOUSAND SEVEN HUNDRED SIXTY FIVE DOLLARS and 28/100 (\$198,765.28), which is a partial payment due M/A-COM under the terms of the payment schedule set forth in the contract, at the next meeting of the Harrison County Board of Supervisors, or as soon thereafter as may be practicable, all in accordance with the terms of the contract.

RESOLVED on this the 20th day of November, 2003.


The above and foregoing Resolution pertaining to M/A-COM Invoice No. HC00024 was introduced by Commissioner Brown, who moved the adoption of same. Said Motion was seconded by Commissioner Quibbison. Upon being put to vote, the results were as follows:

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

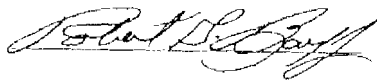
Chief GEORGE BASS, Long Beach Fire Department	<u>AYE</u>
Major LOU BISSONNETTE, Harrison County Sheriff's Department	<u>AYE</u>
JIM BORSIG, CAO for the City of Biloxi	<u>AYE</u>
MELVIN BRILOSARA, Harrison County at Large	<u>AYE</u>
Commander RANDY BROWN, Gulfport Police Department	<u>AYE</u>
STEVE DELAHOUSEY, Emergency Medical Services	<u>ABSENT</u>
Chief JOHN DUBUISSON, Pass Christian Police Department	<u>AYE</u>

WHEREUPON, Chairman Steve Delahousey declared the motion carried and the resolution adopted on the 20th day of November, 2003.

**HARRISON COUNTY EMERGENCY
COMMUNICATIONS COMMISSION**

BY: 

ATTEST:



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

ORDER ACCEPTING RESIGNATIONS, AS LISTED

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY ACCEPT resignations, as listed:

Mary Foretich, Justice Court Judge, effective 12/31/03.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

ORDER APPROVING TERMINATIONS, AS LISTED

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE terminations, as listed:

Tameka Williams, Building and Grounds, Housekeeping, effective 9/12/03.

Willma Harvey, Tourism, Tourism Manager, effective 11/07/2003.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER CONCURRING WITH COUNTY ADMINISTRATOR ON
REPLACEMENTS AND CHANGES, AS LISTED**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY CONCUR with County Administrator on replacements and changes, as listed:

Gwen Scarborough, Human Services, Custodian, Regular Full time at a rate of \$668.85 bimonthly, effective 12/1/03, replacing James McGee who was making \$702.51 bimonthly.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

**ORDER APPROVING ACCIDENT RELATED CLAIMS, AS LISTED, TO
BE PAID FROM THE TORT ACCOUNT**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE accident related claims, as listed, to be paid from the Tort Account:

\$594.44 payable to Associated Adjusters, Inc. for services rendered on the claim of Cathy S. Necaize.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

- | | |
|------------------------------------|--------------------|
| Supervisor BOBBY ELEUTERIUS voted | AYE |
| Supervisor LARRY BENEFIELD voted | AYE |
| Supervisor MARLIN R. LADNER voted | AYE |
| Supervisor WILLIAM W. MARTIN voted | (ABSENT & EXCUSED) |
| Supervisor CONNIE M. ROCKCO voted | AYE |

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER SPREADING ON THE MINUTES THE LIST OF EMERGENCY
PURCHASE ORDERS ISSUED BY THE PURCHASING DEPARTMENT
FOR THE MONTH OF NOVEMBER 2003, AND AUTHORIZING THE
NECESSARY BUDGET AMENDMENTS**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY SPREAD ON THE MINUTES the list of emergency purchase orders issued by the Purchasing Department for the month of November 2003, and does HEREBY AUTHORIZE the necessary budget amendments therefor:

EMERGENCY PURCHASE ORDERS ISSUED BY THE PURCHASING DEPARTMENT
FOR THE MONTH OF NOVEMBER 2003

DATE	DEPARTMENT	VENDOR	AMOUNT	DESCRIPTION
11/18/03	SHERIFF	C C S INDUSTRIAL SALES, INC.	\$5,185.00	AFTER HOURS SERVICE CALL NEEDED TO REPAIR OR REPLACE THE A.J-H70 COMMERCIAL HOT WATER BOILER AT THE COUNTY JAIL.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER SPREADING ON THE MINUTES THE LIST OF LOW QUOTES
 APPROVED BY THE PURCHASING DEPARTMENT FOR THE MONTH
 OF NOVEMBER 2003**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY SPREAD ON THE MINUTES the following list of low quotes approved by the Purchasing Department for the month of November 2003:

LOW QUOTES APPROVED BY THE PURCHASING DEPARTMENT
 FOR THE PERIOD OF NOVEMBER 1, 2003 THROUGH NOVEMBER 30, 2003

DEPARTMENT	DATE	VENDOR	AMOUNT	DESCRIPTION
CORRECTIONS	11/04/03	THE MERCHANTS COMPANY	\$ 2,803.75	PERISHABLE FOODS FOR THE JAIL
CORRECTIONS	11/05/03	THE MERCHANTS COMPANY	\$ 2,571.51	NON PERISHABLE FOODS FOR THE JAIL
BOND FUNDS	11/05/03	LADNER'S LANDSCAPING	\$ 8,200.00	FURNISH EQUIPMENT AND LABOR NEEDED TO INSTALL AND IRRIGATION SYSTEM FOR SAUCIER BALL FIELD NO. 2
E 911	11/07/03	KROL ELECTRIC, INCORPORATED	\$ 5,300.00	FURNISH EQUIPMENT, LABOR AND THE MATERIALS NEEDED FOR MODIFICATIONS IN THE BILOXI DISPATCH CENTER
ROAD DEPARTMENT	11/12/03	BETTER BUILT TRAILERS, INC.	\$14,500.00	ONE 25 TON LOWBOY TRAILER FOR USE AT THE WOOLMARKET WORK CENTER
CORRECTIONS	11/13/03	THE MERCHANTS COMPANY	\$ 4,251.10	PERISHABLE FOODS FOR THE JAIL
CORRECTIONS	11/13/03	THE MERCHANTS COMPANY	\$ 1,723.59	NON PERISHABLE FOOD FOR THE JAIL
CORRECTIONS	11/13/03	MISS. BEVERAGE SYSTEMS	\$ 2,280.00	ASSORTED FRUIT JUICES AND BEVERAGES
SAND BEACH	11/18/03	R & W EQUIPMENT COMPANY	\$ 1,890.00	"TUFLINE" HEAVY DUTY 3 POINT LIFT DISK
K R T GRANT	11/19/03	PRO-FIRE EQUIPMENT, LLC	\$ 6,294.40	SCOTT GAS MASK AND OXYGEN CYLINDERS FOR THE REGIONAL RESPONSE TEAM
ROAD DEPARTMENT	11/29/03	NORDAN SMITH COMPANY, INC	\$ 2,806.00	"LINCOLN RANGER 8" WELDING MACHINE FOR USE AT LONG BEACH WORK CENTER
FAMILY COURT	11/21/03	WILLIAMS FENCE COMPANY	\$ 4,731.00	GREEN VINYL CHAIN LINK FENCE AND GATE INSTALLED AT THE "PLAYGROUND OF HOPE"
MAPPING	11/24/03	DLI SOLUTIONS, INCORPORATED	\$ 5,496.00	AUTOCAD 2002 NETWORK LICENSE BUMP
FAMILY COURT	11/28/03	PERRY'S SOD II, INC	\$ 7,600.00	SOD FOR THE "PLAYGROUND OF HOPE"

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

**ORDER APPROVING THE PURCHASE OF ONE OR MORE, 2004, 3/4
 TON TRUCKS FROM CHAMPION CHRYSLER DODGE JEEP, STATE
 CONTRACT NO. 070-32-3724-0, @ \$16,868.00 EACH PLUS ADDED
 OPTIONS, PAYABLE FROM CAPITAL EXPENDITURE FUNDS**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE the purchase of one or more, 2004, 3/4 ton trucks from Champion Chrysler Dodge Jeep, State Contract No. 070-32-3724-0, @ \$16,868.00 each plus added options, payable from capital expenditure funds.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

The Sheriff's representative reported there are 1066 inmates currently housed in the Harrison County Jail Facilities at this time.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER AUTHORIZING PURCHASE OF RADIOS FROM PATTERSON
COMMUNICATION AT A COST OF \$11,434.80 TO REPLACE LOW
BAND RADIOS TO UPGRADE SYSTEM TO NEW 800 MHZ EDACS
RADIOS FOR MOTOR CARRIER VEHICLES, PER STATE CONTRACT
ITS-EPL REP: 3324 AND PAYABLE FROM 030-266-922**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE purchase of radios from Patterson Communication at a cost of \$11,434.80 to replace low band radios to upgrade system to new 800 MHZ Edacs radios for motor carrier vehicles, per state contract ITS-EPL REP: 3324 and payable from 030-266-922.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER AUTHORIZING PAYMENT TO U.S. MARSHALS SERVICE IN
THE AMOUNT OF \$850.00 FROM FORFEITURE ACCOUNT
029-215-922 FOR THE FEDERAL SHARE OF 1994 CHEVROLET
BLAZER**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE payment to U.S. Marshals Service in the amount of \$850.00 from Forfeiture account 029-215-922 for the federal share of 1994 Chevrolet Blazer.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER AUTHORIZING PAYMENT TO U.S. MARSHALS SERVICE IN
THE AMOUNT OF \$4,365.00 FROM FORFEITURE ACCOUNT
029-215-922 FOR THE FEDERAL SHARE OF 2002 MERCEDES BENZ**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE payment to U.S. Marshals Service in the amount of \$4,365.00 from Forfeiture account 029-215-922 for the federal share of 2002 Mercedes Benz.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

ORDER APPROVING CLAIMS DOCKET, PER STATUTE

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the

Board does HEREBY APPROVE the claims docket, per statute, as follows:

FUND	DESCRIPTION	BEGINNING CLAIM	ENDING CLAIM
001	GENERAL COUNTY FUND	1993	2201
002	SPECIAL LEVY REAPP (ESCROW)	47	60
003	EXCESS TAX BID	4	19
012	DRUG COURT	14	15
027	LOCAL LAW ENFORCEMENT BLOCK GRANT	3	3
029	SHERIFFS FEDERAL FORFEITURE	3	4
030	FEDERAL GRANT	44	45
061	R S V P FEDERAL	153	153
096	REAPPRAISAL FUND	17	20
097	EMERGENCY 911 FUND	72	82
098	PORT AND HARBOR	4	4
105	GARBAGE AND SOLID WASTE	5	5
106	VOLUNTEER FIRE	75	83
109	MS DEVELOPMENT BANK	19	21
110	RECORD MANAGEMENT FUND	9	10
112	YOUTH COURT SHELTER PLAYGROUND	27	36
113	PUBLIC SAFETY FUND	6	6
114	SHERIFF' FORFEITURE FUND	14	14
125	STATE TRIAD GRANT	15	16
127	H/C WASTEWATER FUND	6	6
150	ROAD FUND	469	523
156	ROAD PROTECTION FUND	140	149
160	BRIDGE & CULVERT FUND	52	55
210	GENERAL COUNTY B & I SKG FUND	23	27
211	COAST COLISEUM DEBT	7	7
260	COUNTY PORT B & I SKG FUND	9	10
303	MS DEV BANK \$10M	36	37
305	MS DEV BANK \$15M E-911	4	8
310	MS DEV BANK 5M	5	6

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

330	G O PUBLIC IMP 96A \$6.8	2	2
655	REGIONAL AIRPORT	4	4
681	PAYROLL CLEARING FUND	116	123
690	COMMUNITY COLLEGE MAINT/SUP	2	2
691	COMMUNITY COLLEGE SUPP/REPAIR	2	2
697	LONG BEACH WATER MGT LB DRAIN	20	28
698	D'IBERVILLE W/S DISTRICT	2	2
699	P/C H/P WATER & SEWER DISTRICT	2	2

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

ORDER APPROVING PAYMENT OF CLAIMS, AS LISTED

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE payment of claims, as listed:

- a) \$36,261.00 to MLH, Inc., Application for Payment No. 3 for Renovations, Phase 4, Gulfport courthouse, approved for payment by architect Kealea S. Hassin, Jr.
- b) \$2,971.26 to Meadows Riley Law Firm, general county billing for month of November 2003.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER AUTHORIZING PAYMENT OF LONG BEACH WATER
MANAGEMENT DISTRICT DOCKET OF CLAIMS APPROVED AT ITS
NOVEMBER 19, 2003 MEETING, SUBMITTED BY DUKES, DUKES,
KEATING & FANECA, AS LISTED**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE payment of Long Beach Water Management District Docket of Claims approved at its November 19, 2003 meeting, submitted by Dukes, Dukes, Keating & Faneca, as listed:

- a) Dukes, Dukes, Keating & Faneca, \$5,890.22
- b) Riddick Family Trust, \$430.00
- c) BellSouth, \$94.17
- d) Mississippi Power, \$34.64
- e) Entex, \$16.68
- f) Sam's Club, \$3.64
- g) Brett Mallette, \$80.00
- h) Judy Sawyer, \$80.00
- i) Linda Blakeney, \$40.00

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER AUTHORIZING REDEMPTIONS FOR ERRONEOUS TAX SALES,
AS LISTED**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE redemptions for erroneous tax sales, as listed:

FIRST JUDICIAL DISTRICT - JOHN MCADAMS

- a) \$749.35, Parcel 0504-27-007.039, 100% H.E. credit
- b) \$258.28, Parcel 0411H-02-006.000, error in class

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER AUTHORIZING ADVERTISEMENT OF NOTICE OF INVITATION
FOR BIDS FOR THE FOLLOWING**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE advertisement of notice of invitation for bids for the following:

- 1) Keeping Harrison County Funds, per Sec. 27-105-305, Mississippi Code of 1972, for a period of two years;
- 2) Publication of proceedings, cumulative method, of the Board of Supervisors of Harrison County, Mississippi for the year 2004.
- 3) Guild Hardy Architects in the amount of \$2,589.31 payable from 027-265-902 for professional services on the Storm Proofing Project at the Harrison County Courthouse.
- 4) J.H. Haynes Electric for payment number seven in the amount of \$29,687.50 payable from 002-100-902 for work on the Lighting Project at the Jack and Florence Golding Recreational Facility, as recommended by Guild Hardy Architects.
- 5) Shaw Design in the amount of \$5,680.00 payable from 109-151-902 for professional services on Justice Court/Records Storage Building Project.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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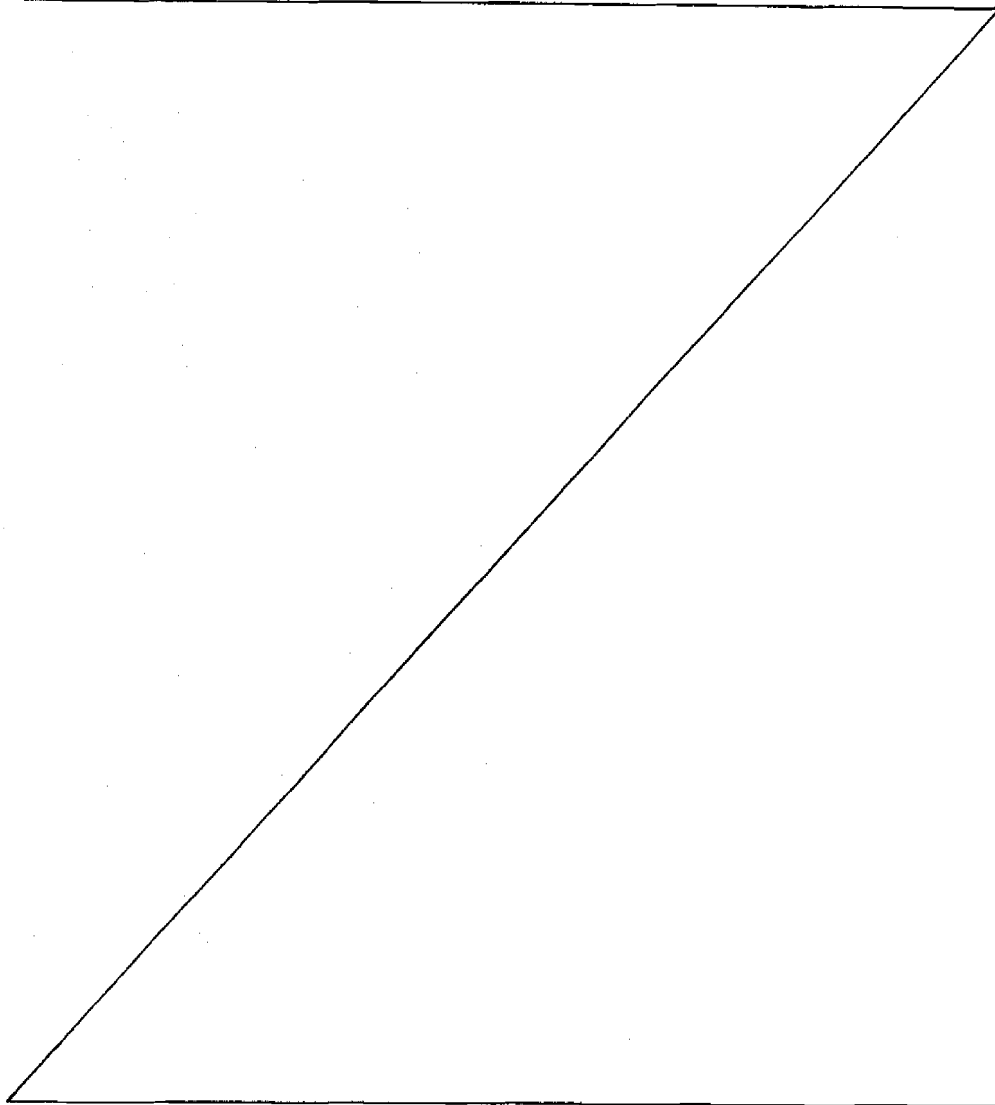
MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER AUTHORIZING THE BOARD PRESIDENT, CHANCERY CLERK,
AND COUNTY ADMINISTRATOR TO SIGN LETTER OF ENGAGEMENT
WITH THE STATE OF MISSISSIPPI OFFICE OF THE STATE AUDITOR
FOR THE AUDIT OF HARRISON COUNTY FINANCIAL RECORDS FOR
THE YEAR ENDING SEPTEMBER 30, 2003**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY AUTHORIZE the Board President, Chancery Clerk, and County Administrator to sign the following Letter of Engagement with the State of Mississippi Office of the State Auditor for the audit of Harrison County Financial Records for the year ending September 30, 2003:



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM



STATE OF MISSISSIPPI
OFFICE OF THE STATE AUDITOR
PHIL BRYANT
AUDITOR

PRIMARY GOVERNMENT LETTER OF ENGAGEMENT

November 1, 2003
(Date)

Harrison
County

John McAdams
Chancery Clerk

This letter will confirm our understanding of the arrangements for our audit of the primary government financial statements of Harrison County, Mississippi, for the year ending September 30, 2003.

Section 7-7-211(e), Miss. Code Ann. (1972), requires the Office of the State Auditor to audit the financial records of the county for each fiscal year. We will audit only the financial statements of the county as primary government for the year ending September 30, 2003, for the purpose of expressing our opinion on them. Primary government financial statements do not include the data of component units necessary for fair presentation in conformity with accounting principles generally accepted in the United States of America. We understand that the primary government financial statements will be presented in accordance with the financial reporting model described in GASB Statement No. 34.

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and will include those tests of the accounting records and other procedures we consider necessary to enable us to express an unqualified opinion that the primary government financial statements present fairly, in all material respects, the financial position of the primary government of Harrison County, Mississippi, as of September 30, 2003, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of America.

However, the primary government financial statements, because they do not include the financial data of component units of Harrison County, Mississippi, do not purport to, and do not, present fairly, the financial position of Harrison County, Mississippi, as of September 30, 2003, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with accounting principles generally accepted in the United States of

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Audit Engagement Letter
Page 2

America for the entire reporting entity. If our opinion is other than unqualified for other reasons, we will fully discuss the reasons with you in advance.

If we are required to perform a Single Audit, then our audit will also be conducted in accordance with the Single Audit Act Amendments of 1996 and the provisions of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. OMB Circular A-133 requires that we plan and perform the audit to obtain reasonable assurance about whether the county has complied with certain provisions of laws, regulations, contracts and grants. Our procedures will consist of applicable procedures described in the OMB's compliance supplement. The purpose of our audit will be to express an opinion on the county's compliance with requirements applicable to major programs and to perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the county's major federal programs. Our tests of controls will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed.

The fourth general auditing standard requires that we have an appropriate internal quality control system in place and that we undergo an external quality control review. The review is conducted at least once every three years by a team of independent qualified reviewers, and a written report is prepared communicating the results of the external quality control review. As required by the fourth general auditing standard, we have provided you at the beginning of our audit engagement a copy of our most recent external quality control review report. This report documents whether the required internal quality control system is in place and operating effectively to provide reasonable assurance that established policies and procedures and applicable auditing standards are being followed.

Governmental reporting standards state that we should inform the auditee about information relating to certain audit responsibilities. Therefore, we have provided you at the beginning of our audit engagement a written report called: "Our Responsibilities as Your Entity's Auditor." These responsibilities involve testing and reporting on internal controls and compliance with laws and regulations.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements and includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement, whether caused by error or fraud. Because of the concept of reasonable assurance, and because we will not perform a detailed examination of all transactions, there is a risk that a material misstatement may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud or other illegal acts that are immaterial to the primary government financial statements. However, we will inform you of any material errors and any fraud that come to our attention. We will also inform you of any other illegal acts that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Engagement Letter

Page 3

Our procedures that will be applied to the accounting records of the county as primary government will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, legal counsel and financial institutions. If we are required to perform a Single Audit, then additional tests of transactions related to federal major programs for compliance with applicable laws and regulations will be made. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also request certain written representations from you about the primary government financial statements and related matters.

We understand that you will provide us with the basic information required for our audit and that you are responsible for the accuracy and completeness of that information. We may prepare or assist in the preparation of your primary government financial statements, but the responsibility for the primary government financial statements remains with you. This responsibility includes the maintenance of adequate records and related internal control policies and procedures, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for adjusting the primary government financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the year ended September 30, 2003, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. You are also responsible for identifying and ensuring that the county complies with applicable laws and regulations and informing us of your knowledge of any allegations of fraud or suspected fraud affecting the county received in communications from employees, former employees, regulators or others.

In addition to our independent auditor's report on the primary government financial statements, we will publish various special reports which include our findings of any opinion qualifications, state law violations, weaknesses in internal control and any other compliance violations that may have come to our attention during the course of the audit. The county's management will be allowed to respond to our comments on any of the above findings prior to the publication of our report. Responses should be limited to fifty words for each finding. Responses will then be included in the published audit report.

We estimate our fee for these services will be approximately \$_____. The estimate is based on historical costs and the assumption that unexpected circumstances and difficulties will not be encountered during the audit. However, if audit requirements change, the actual fee may be higher or lower than the original estimate. We may have to expand our audit requirements for the following reasons:

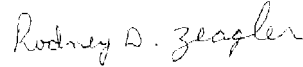
1. Condition or auditability of financial records
2. Single Audit requirements
3. Errors and irregularities discovered during the course of the audit.
4. Lack of cooperation and assistance from personnel and computer assistance when needed

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Engagement Letter
Page 4

We ask that you please acknowledge acceptance of the terms of this letter of engagement by signing in the space provided below.

Sincerely,



Rodney D. Zeagler, CPA
Director
Financial and Compliance Audit Division

President, Board of Supervisors

Comptroller

Clerk of the Board of Supervisors

County Administrator

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER AUTHORIZING PAYMENT FROM TORT ACCOUNT FOR TORT
LITIGATION BILLING BY MEADOWS RILEY LAW FIRM, TOTAL
AMOUNT OF \$5,645.45, AS LISTED**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does *HEREBY AUTHORIZE* payment from tort account for tort litigation billing by Meadows Riley Law Firm, total amount of \$5,645.45, as listed:

Mark Rozell, \$835.32
Richard Bazell, \$450.00
Calvin Smith, \$1,304.86
Lawrence Spiegel, \$51.57
Monica Sedillo, \$25.00
Sean O'Neill, \$125.00
Floyd Bailey, \$28.71
Racheal Ponthieux, \$400.42
Sherry Watford, \$1,726.77
Robin Irby, \$172.80
Vicki Osborn, \$525.00

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR LARRY BENEFIELD OUT ON VOTE.)

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

ORDER APPROVING STREET LIGHTS, AS LISTED

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE street lights, as listed:

- a) 18259 Bert Dedeaux Road in Supervisor's Voting District 2
- b) 21167 Saucier Lizana Road in Supervisor's Voting District 2
- c) 8467 Canal Road in Supervisor's Voting District 4

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

(SUPERVISOR BENEFIELD OUT ON VOTE.)

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

**ORDER DESIGNATING THE PURCHASE CLERK, THE CHANCERY
CLERK AND ANY DEPARTMENT HEAD, AS NEEDED, AS THE BOARD
REPRESENTATIVES TO RECEIVE BIDS, AS LISTED**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY DESIGNATE the Purchase Clerk, the Chancery Clerk and any Department Head, as needed, as the Board representatives to receive bids, as listed:

a) December 18, 2003 - 10:00 A.M. Administration and Security Operations for the Harrison County Juvenile Detention Facility located in Biloxi, Mississippi.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	(OUT ON VOTE)
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

The following Resolution of the Harrison County Development Commission came before the Board for consideration:

RESOLUTION

There next came on for discussion the granting of an easement over and on certain real property to the **CITY OF GULFPORT, MISSISSIPPI**, and after a general discussion of the subject, Commission Member William "Bill" Lyons, on behalf of the **Harrison County Development Commission**, made a motion to adopt the following Resolution:

A RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION AUTHORIZING THE SALE OF A PERMANENT UTILITY EASEMENT OVER AND ON A PORTION OF CERTAIN REAL PROPERTY OF HARRISON COUNTY, MISSISSIPPI, BEARING PARCEL NOS. 0909D-01-001.001 AND 0908M-01-019.000, CITY OF GULFPORT, FIRST JUDICIAL DISTRICT OF HARRISON COUNTY, MISSISSIPPI TO THE CITY OF GULFPORT, MISSISSIPPI IN EXCHANGE FOR \$1,275.00.

BE IT RESOLVED by the Harrison County Development Commission that:

WHEREAS, at a regular meeting of the Harrison County Development Commission, held on November 25, 2003, the **CITY OF GULFPORT, MISSISSIPPI** requested that it be granted a permanent utility easement over and on certain real property situated in the City of Gulfport, Mississippi;

WHEREAS, at said meeting of November 25, 2003, the Harrison County Development Commission made a factual determination that it was in the best interests of the public to grant and convey a permanent utility easement over and on a portion of certain real property situated in the City of Gulfport, Mississippi, and bearing Parcel No.s 0909D-01-001.001 and 0908M-01-019.000, and being more particularly described in the survey prepared by Brown & Mitchell, dated May 5, 2003, and bearing Job # 2672FE04, a copy of which is attached hereto as Exhibit "A", and does so find and adjudicate that the cash sum of \$1,275.00 is fair and reasonable consideration, and ensures that the conveyance contemplated herein is in furtherance of the goals

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

and purposes of the Harrison County Development Commission, as articulated in §59-9-1, et seq., of the Mississippi Code of 1972 as amended; and

WHEREAS, the Harrison County Board of Supervisors, should be requested to concur herein and to join in the execution and conveyance of said easement. It is therefore,

RESOLVED, that the President and Secretary of the Harrison County Development Commission are hereby authorized and directed to execute an Easement for said real property in substantial conformity to the Easement attached hereto as Exhibit "A"; and,

RESOLVED, that the Harrison County Board of Supervisors is hereby requested to concur in this Resolution and to join in the conveyance and execution of said Easement over and on the aforescribed real property, in substantial conformity to the Easement attached hereto as Exhibit "B".

On a roll call vote, the result was as follows:

Commissioner Bert Allen	Voted: Aye
Commissioner Richard Bennett, Jr.	Voted: Aye
Commissioner Frank Castiglia, Jr.	Voted: Aye
Commissioner Franklin Kyle, Jr.	Voted: Aye
Commissioner Alicia Ellis	Voted: Aye
Commissioner William "Bill" Lyons	Voted: Aye
Commissioner Don Mason	Voted: Aye
Commissioner Bruce Nourse, President	Voted: Aye
Commissioner Philip Terrell	Voted: Aye
Commissioner Jimmy Walker	Voted: Aye
Commissioner Elner Williams	Voted: Aye

A majority of the Members present and voting in the affirmative, the President declares the motion carried and the resolution adopted on the 25th day of November, 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI
COUNTY OF HARRISON

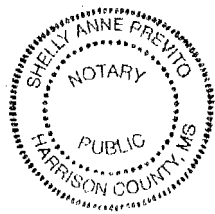
CERTIFICATE

I, Merry Mayo, Staff Secretary of the Harrison County Development Commission, hereby certify that the attached Resolution dated November 25, 2003, is a true and correct copy of such Resolution adopted on such date.

WITNESS MY SIGNATURE, this the 3rd day of December, 2003.


Merry Mayo, Staff Secretary
Harrison County Development Commission

SWORN TO AND SUBSCRIBED BEFORE ME, this the 3rd day of December, 2003.




NOTARY PUBLIC

(SEAL)

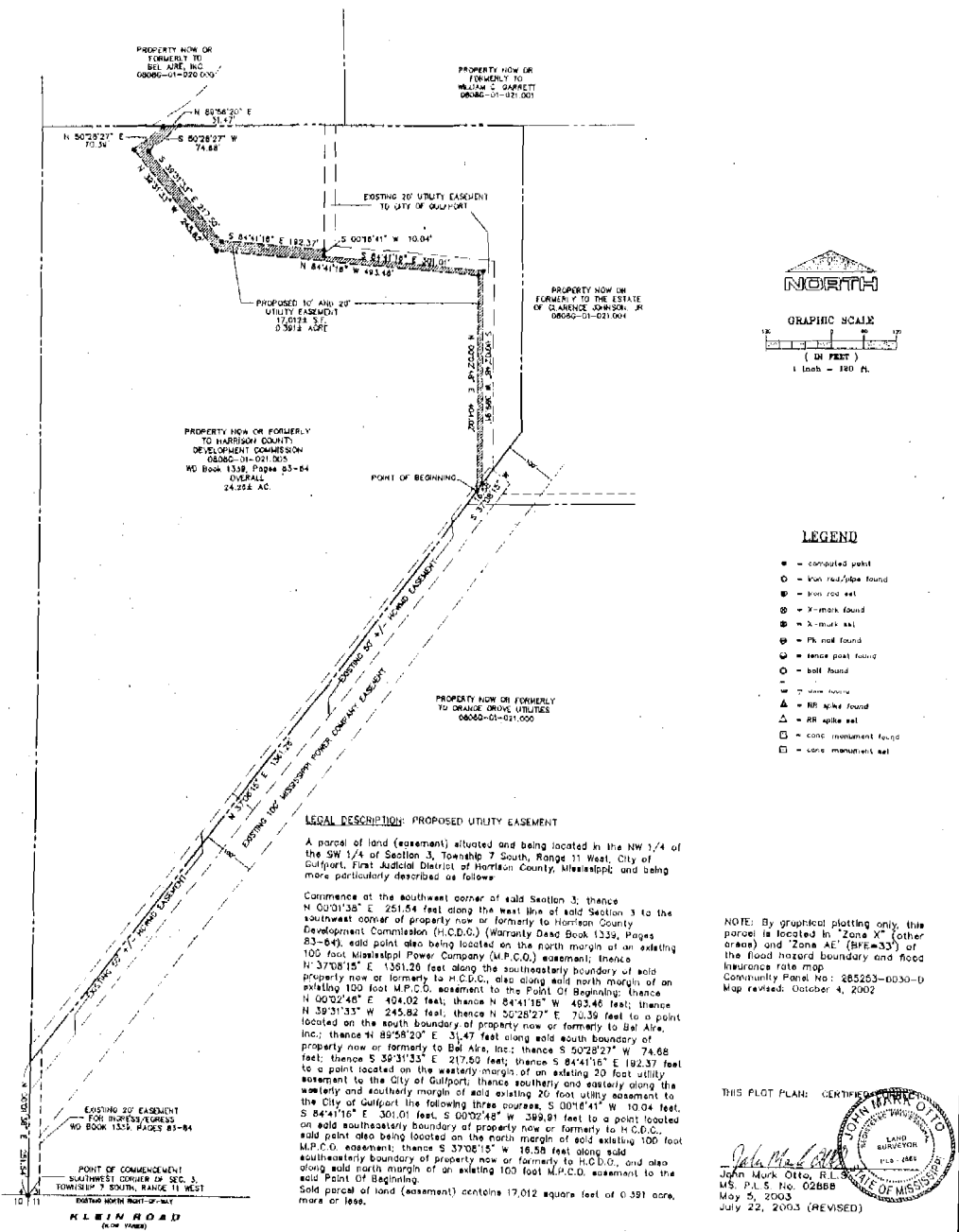
MY COMMISSION EXPIRES:

Notary Public State of Mississippi At Large
My Commission Expires: April 4, 2006
Bonded Thru Dixie Notary Service, Inc.

MINUTES

BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI

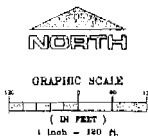
DECEMBER 2003 TERM



LEGAL DESCRIPTION: PROPOSED UTILITY EASEMENT

A parcel of land (easement) situated and being located in the NW 1/4 of the SW 1/4 of Section 3, Township 7 South, Range 11 West, City of Gulfport, First Judicial District of Harrison County, Mississippi, and being more particularly described as follows:

Commence at the southwest corner of said Section 3, thence N 00°01'38" E 261.64 feet along the west line of said Section 3 to the southwest corner of property now or formerly to Harrison County Development Commission (H.C.D.C.) (Warranty Deed Book 1339, Pages 23-24), said point also being located on the north margin of an existing 100 foot Mississippi Power Company (M.P.C.O.) easement; thence N 37°08'15" E 1381.26 feet along the southeasterly boundary of said property now or formerly to H.C.D.C., also along said north margin of an existing 100 foot M.P.C.O. easement to the Point Of Beginning; thence N 00°02'48" E 404.02 feet; thence N 84°41'16" E 483.46 feet; thence N 39°31'33" W 245.82 feet; thence N 00°28'27" E 70.39 feet to a point located on the south boundary of property now or formerly to Bel Air, Inc.; thence N 89°58'20" E 31.47 feet along said south boundary of property now or formerly to Bel Air, Inc.; thence S 50°28'27" W 74.68 feet; thence S 39°31'33" E 217.55 feet; thence S 84°41'16" E 182.37 feet to a point located on the westerly margin of an existing 20 foot utility easement to the City of Gulfport; thence southerly and easterly along the westerly and southerly margin of said existing 20 foot utility easement to the City of Gulfport the following three courses, S 00°18'41" W 10.04 feet, S 84°41'16" E 301.01 feet, S 00°02'48" W 389.81 feet to a point located on said southeasterly boundary of property now or formerly to H.C.D.C., said point also being located on the north margin of said existing 100 foot M.P.C.O. easement; thence S 37°08'15" W 16.58 feet along said southeasterly boundary of property now or formerly to H.C.D.C., and also along said north margin of an existing 100 foot M.P.C.O. easement to the said Point Of Beginning. Said parcel of land (easement) contains 17,012 square feet of 0.391 acre, more or less.



LEGEND

- - computed point
- - iron rod/pipe found
- - iron rod set
- ⊙ - 2" mark found
- ⊙ - 3" mark set
- ⊙ - 1/4" mark found
- ⊙ - 1/4" mark set
- ⊙ - sense post found
- ⊙ - bolt found
- ⊙ - bolt set
- ⊙ - wire found
- ⊙ - RR spike found
- ⊙ - RR spike set
- ⊙ - conc monument found
- ⊙ - conc monument set

NOTE: By graphical plotting only, this parcel is located in "Zone X" (other areas) and "Zone AE" (BFE=33') of the flood hazard boundary and flood insurance rate map. Community Panel No: 285253-0030-D. Map revised: October 4, 2002.

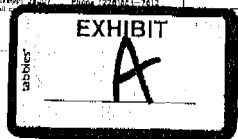
THIS PLOT PLAN: CERTIFIED

 John Mark Otto, R.L.S.
 MS. P.L.S. No. 02888
 May 5, 2003
 July 22, 2003 (REVISED)

B & M BROWN & MITCHELL, INC.
 Engineers & Environmental Consultants
 221 34th Street, Gulfport, Mississippi 39501 Phone: (772) 821-7410
 E-mail: gulf@brownandmitchell.com

HARRISON COUNTY DEVELOPMENT COMMISSION
 PARCEL EAST OF FLAT BRANCH
 GULFPORT, MISSISSIPPI

Drawn By	J.M.O.	Job No.	2672
Checked By	G.M.H.	Sheet	1 of 1
Date	5/05/03		
Scale	1"=120'		2672FE09



PLAN: PROPOSED UTILITY EASEMENT

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI
 FIRST JUDICIAL DISTRICT

FROM: Harrison County Development Commission
 P.O. Box 569
 Gulfport, MS 39502
 (228) 863-3807

Grantor

TO: CITY OF GULFPORT, MS
 P.O. Box 1780
 Gulfport, MS 39501
 (228) 868-5811

Grantee

[City of Gulfport - North Orange Grove Interceptor, Parcel A-7]
PERMANENT UTILITY EASEMENT

FOR AND IN CONSIDERATION of the sum of TEN and NO/100 -(\$10.00)-
 DOLLARS, cash in hand paid, and other good and valuable consideration, the receipt and
 sufficiency of which is hereby acknowledged **HARRISON COUNTY DEVELOPMENT
 COMMISSION**, hereby grants, bargains, sells, conveys and warrants unto the **CITY OF
 GULFPORT, MISSISSIPPI**, a municipal corporation organized and existing according to
 the laws of the State of Mississippi, a permanent easement in, to, on, over and across the
 following described land and property, situated and being in the City of Gulfport, First
 Judicial District of Harrison County, Mississippi, to-wit:

A parcel of land (easement) situated and being located in the NW 1/4 of the SW
 1/4 of Section 3, Township 7 South, Range 11 West, City of Gulfport, First
 Judicial District of Harrison County, Mississippi, and being more particularly
 described as follows:

Commence at the Southwest corner of said Section 3; thence North 00 degrees
 01 minutes 38 seconds East 251.54 feet along the West line of said Section 3 to
 the Southwest corner of property now or formerly to Harrison County
 Development Commission (HCDC) (Warranty Deed Book 1339, Pages 83-84),
 said point also being located on the North margin of an existing 100 foot
 Mississippi Power Company (MPCO) easement; thence North 37 degrees 08
 minutes 15 seconds East 1361.26 feet along the Southeasterly boundary of said
 property now or formerly to HCDC, also along said North margin of an existing
 100 foot MPCO easement to the Point of Beginning; thence North 00 degrees 02
 minutes 48 seconds East 404.02 feet; thence North 84 degrees 41 minutes 16
 seconds West 493.46 feet; thence North 39 degrees 31 minutes 33 seconds West
 245.82 feet; thence North 50 degrees 28 minutes 27 seconds East 70.39 feet to a
 point located on the South boundary of property now or formerly to Bel Aire,
 Inc; thence North 89 degrees 56 minutes 20 seconds East 31.47 feet along said
 South boundary of property now or formerly to Bel Aire, Inc; thence South 50
 degrees 28 minutes 27 seconds West 74.68 feet; thence South 39 degrees 31
 minutes 33 seconds East 217.50 feet; thence South 84 degrees 41 minutes 16
 seconds East 192.37 feet to a point located on the Westerly margin of an existing
 20 foot utility easement to the City of Gulfport; thence southerly and easterly
 along the westerly and southerly margin of said existing 20 foot utility easement
 to the City of Gulfport the following three courses: South 00 degrees 16 minutes



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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41 seconds West 10.04 feet; South 84 degrees 41 minutes 16 seconds East 301.01 feet; South 00 degrees 02 minutes 48 seconds East 399.91 feet to a point located on said Southeasterly boundary of property now or formerly to HCDC, said point also being located on the North margin of said existing 100 foot MPCO easement; thence South 37 degrees 08 minutes 15 seconds West 16.58 feet along said Southeasterly boundary of property now or formerly to HCDC and also along said North margin of an existing 100 foot MPCO easement to said Point of Beginning. Said parcel of land (easement) contains 17,012 square feet or 0.391 acre, more or less.

A copy of the plat of survey prepared by Brown & Mitchell, Inc., relative to the above described property, is attached hereto as Exhibit "A" and incorporated herein by reference.

This conveyance is subject to any and all restrictions or covenants of record and presently existing or recorded easements or rights of way, and is less and except any and all prior recorded oil, gas, or other mineral rights, granted, reserved, or excepted by present or prior owners.

Ad valorem taxes for the current year, 2003, are prorated and settled, and Grantee assumes said taxes for the current year and subsequent years.

WITNESS OUR signatures as duly authorized for and on behalf of the HARRISON COUNTY BOARD OF SUPERVISORS, acting by and through the HARRISON COUNTY DEVELOPMENT COMMISSION, on this the _____ day of _____, 2003.

**HARRISON COUNTY DEVELOPMENT
COMMISSION**

ATTEST:

BY: _____

TITLE: Executive Director

**HARRISON COUNTY
BOARD OF SUPERVISORS**

ATTEST:

BY: _____

TITLE: _____

Clerk of the Harrison County
Board of Supervisors

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this ____ day of _____, 2003, within my jurisdiction, the within named _____, who acknowledged that he is the President of the Harrison County Board of Supervisors, and that in said capacity he executed the above and foregoing instrument, after first being duly authorized by the Harrison County Board of Supervisors, to do so.

NOTARY PUBLIC

My Commission Expires:

STATE OF MISSISSIPPI

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this ____ day of _____, 2003, within my jurisdiction, the within named _____, who acknowledged that they are President and Secretary of the Harrison County Development Commission, and that in said capacity they executed the above and foregoing instrument, after first being duly authorized by the Harrison County Development Commission, to do so.

NOTARY PUBLIC

My Commission Expires:

Grantors:
Harrison County Board of Supervisors
P.O. Drawer CC
Gulfport, MS 39502
(228) 865-4001

Grantee:
City of Gulfport, Mississippi
P.O. Box 1780
Gulfport, MS 39501
(228) 868-5811

And

Harrison County Development Commission
P.O. Box 569
Gulfport, MS 39502
(228) 863-3801

This instrument prepared by:
Hugh D. Keating, Esq.
Dukes, Dukes, Keating & Faneca, PA
2909 13th Street, Suite 601
P.O. Drawer W
Gulfport, MS 39502
(228) 868-1111

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

ORDER

There next came on for consideration the request of the HARRISON COUNTY DEVELOPMENT COMMISSION to concur in a Resolution authorizing the conveyance of an easement over and on certain real property situated in the City of Gulfport, First Judicial District of Harrison County, Mississippi, unto the CITY OF GULFPORT, MISSISSIPPI, and after a full discussion of the subject, Supervisor BOBBY EJEUTERLUS offered the adoption of the following Order, to-wit:

AN ORDER CONCURRING IN THE RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION AUTHORIZING THE SALE OF A PERMANENT UTILITY EASEMENT OVER AND ON A PORTION OF CERTAIN REAL PROPERTY OF HARRISON COUNTY, MISSISSIPPI, BEARING PARCEL NOS. 0909D-01-001.001 AND 0908M-01-019.000, CITY OF GULFPORT, FIRST JUDICIAL DISTRICT OF HARRISON COUNTY, MISSISSIPPI UNTO THE CITY OF GULFPORT, MISSISSIPPI IN EXCHANGE FOR \$1,275.00.

It is, therefore,

ORDERED, that receipt of the Resolution by the Harrison County Development Commission authorizing the conveyance of an easement over certain real property situated in the City of Gulfport, Mississippi, unto CITY OF GULFPORT, MISSISSIPPI in exchange for the cash sum of \$1,275.00 is hereby acknowledged;

ORDERED, that this Board does concur in said Resolution and adopts the findings contained therein;

ORDERED, that the Harrison County Board of Supervisors does hereby approve the conveyance of an easement over and on a portion of certain real property being generally described as Parcel Nos 0909D-01-001.001 and 0908M-01-019.000, City of Gulfport, First Judicial District of Harrison County, Mississippi, and being more particularly described in the

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

survey copy attached to the Resolution of the Harrison County Development Commission as Exhibit "A";

ORDERED, that the President and Clerk of this Board are hereby authorized and directed to execute an easement in substantially the same form as the Easement attached to the Resolution of the Harrison County Development Commission as Exhibit "B".

SUPERVISOR CONNTE ROCKCO seconded the motion, and on a roll call vote, the result was as follows:

Supervisor Bobby Eleuterius	Voted: <u>AYE</u>
Supervisor Larry Benefield	Voted: <u>AYE</u>
Supervisor Martin R. Ladner	Voted: <u>AYE</u>
Supervisor William Martin	Voted: <u>ABSENT & EXCUSED</u>
Supervisor Connie M. Rockco	Voted: <u>AYE</u>

A majority of the Supervisors present and voting in the affirmative, the President declared the motion carried and the order adopted on the 8th day of December, 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

The following Resolution of the Harrison County Development Commission came before the Board for consideration:

RESOLUTION

There next came on for discussion the granting of an easement over and on certain real property to the **CITY OF GULFPORT, MISSISSIPPI**, and after a general discussion of the subject, Commission Member William "Bill" Lyons, on behalf of the **Harrison County Development Commission**, made a motion to adopt the following Resolution:

A RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION AUTHORIZING THE SALE OF A PERMANENT UTILITY EASEMENT OVER AND ON A PORTION OF CERTAIN REAL PROPERTY OF HARRISON COUNTY, MISSISSIPPI, BEARING PARCEL NO 0808G-01-021.005, CITY OF GULFPORT, FIRST JUDICIAL DISTRICT OF HARRISON COUNTY, MISSISSIPPI UNTO THE CITY OF GULFPORT, MISSISSIPPI, IN EXCHANGE FOR \$600.00.

BE IT RESOLVED by the Harrison County Development Commission that:

WHEREAS, at a regular meeting of the Harrison County Development Commission, held on November 25, 2003, the **CITY OF GULFPORT, MISSISSIPPI** requested that it be granted a permanent utility easement over and on certain real property situated in the City of Gulfport, Mississippi;

WHEREAS, at said meeting of November 25, 2003, the Harrison County Development Commission made a factual determination that it was in the best interests of the public to grant and convey a permanent utility easement over and on a portion of certain real property situated in the City of Gulfport, Mississippi, and bearing Parcel No. 0808G-01-021.005, and being more particularly described in the survey prepared by Brown & Mitchell, dated May 5, 2003, and bearing Job # 2672FE09, a copy of which is attached hereto as Exhibit "A", and does so find and adjudicate that the cash sum of \$600.00 is fair and reasonable consideration, and ensures that the conveyance contemplated herein is in furtherance of the goals and purposes of the Harrison

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

County Development Commission, as articulated in §59-9-1, et seq., of the Mississippi Code of 1972, as amended.

WHEREAS, the Harrison County Board of Supervisors, should be requested to concur herein and to join in the execution and conveyance. It is therefore,

RESOLVED, that the President and Secretary of the Harrison County Development Commission are hereby authorized and directed to execute an Easement for said real property in substantial conformity to the Easement attached hereto as Exhibit "A"; and

RESOLVED, that the Harrison County Board of Supervisors is hereby requested to concur in this Resolution and to join in the conveyance and execution of said Easement for said real property in substantial conformity to the Easement attached hereto as Exhibit "B".

On a roll call vote, the result was as follows:

Commissioner Bert Allen	Voted: Aye
Commissioner Richard Bennett, Jr.	Voted: Aye
Commissioner Frank Castiglia, Jr.	Voted: Aye
Commissioner Franklin Kyle, Jr.	Voted: Aye
Commissioner Alicia Ellis	Voted: Aye
Commissioner William "Bill" Lyons	Voted: Aye
Commissioner Don Mason	Voted: Aye
Commissioner Bruce Nourse, President	Voted: Aye
Commissioner Philip Terrell	Voted: Aye
Commissioner Jimmy Walker	Voted: Aye
Commissioner Elmer Williams	Voted: Aye

A majority of the Members present and voting in the affirmative, the President declares the motion carried and the resolution adopted on the 25th day of November, 2003.

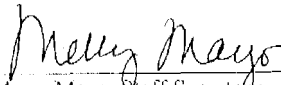
MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI
COUNTY OF HARRISON

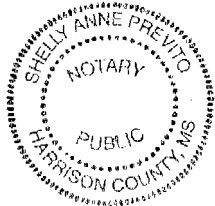
CERTIFICATE

I, Merry Mayo, Staff Secretary of the Harrison County Development Commission, hereby certify that the attached Resolution dated November 25, 2003, is a true and correct copy of such Resolution adopted on such date.

WITNESS MY SIGNATURE, this the 3rd day of December, 2003.


Merry Mayo, Staff Secretary
Harrison County Development Commission

SWORN TO AND SUBSCRIBED BEFORE ME, this the 3rd day of December, 2003.




NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES:
Notary Public State of Mississippi At Large
My Commission Expires: April 4, 2006
Bonded Thru Dixie Notary Service, Inc.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI
 COUNTY OF HARRISON
 FIRST JUDICIAL DISTRICT

Harrison County Board of Supervisors
 P. O. Drawer CC
 Gulfport, MS 39502
 (228) 865-4001

And

Harrison County Development Commission
 P. O. Box 569
 Gulfport, MS 39502
 (228) 863-3807
Grantors

CITY OF GULFPORT, MS
 P. O. Box 1780
 Gulfport, MS 39501
 (228) 868-5811

Grantee

[City of Gulfport - North Orange Grove Sewer Interceptor/Flow Diversion Project,
 Parcel No. A-3 HCDC]

PERMANENT UTILITY EASEMENT

FOR AND IN CONSIDERATION of the sum of TEN and NO/100 -(\$10.00)-
 DOLLARS, cash in hand paid, and other good and valuable consideration, the receipt and
 sufficiency of which is hereby acknowledged, the **HARRISON COUNTY BOARD OF**
SUPERVISORS, acting by and through the **HARRISON COUNTY DEVELOPMENT**
COMMISSION, each of which is a Mississippi body politic hereby grants, bargains, sells,
 conveys and warrants unto the **CITY OF GULFPORT, MISSISSIPPI**, a municipal
 corporation organized and existing according to the laws of the State of Mississippi, a
 permanent easement in, to, on, over and across the following described land and property,
 situated and being in the City of Gulfport, First Judicial District of Harrison County,
 Mississippi, to-wit:

A parcel of land (easement) situated and being located in the SE 1/4 of the SW
 1/4 of Section 11, also in the NE 1/4 of the NW 1/4, Section, 14, Township 7
 South, Range 11 West, City of Gulfport, First Judicial District of Harrison
 County, Mississippi, and being more particularly described as follows:

For the Point of Beginning Commence at a concrete monument found at the
 Southeast corner of Detention Pond "C" Forest North Subdivision, Phase Six
 (Plat Book 44, Page 14), said point also being located on the North boundary of
 property now or formerly to Harrison County Development Commission
 (HCDC) C-6 Spoil area; thence North 88 degrees 44 minutes 09 seconds East
 239.01 feet to a concrete monument found at the Northeast corner of said
 property now or formerly to HCDC; thence South 00 degrees 01 minutes 11
 seconds East 879.33 feet along the East boundary of said property now or
 formerly to HCDC to a point located on the Northerly margin of an existing 60



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

foot wide gas easement (Warranty Deed Book 933, Page 340, Parcel 2, Less and Except); thence South 73 degrees 43 minutes 47 seconds West 20.83 feet along said Northerly margin of an existing 60 foot wide gas easement; thence North 00 degrees 01 minutes 11 seconds West 865.08 feet; thence South 89 degrees 44 minutes 09 seconds West 218.96 feet; thence North 00 degrees 09 minutes 34 seconds West 20.00 feet to the said Point of Beginning. Said parcel of land (easement) contains 22,024 square feet or 0.506 acre, more or less. Said easement lies entirely within an existing 30 foot wide drainage easement now or formerly to Harrison County (Warranty Deed Book 1096, Page 129-132, Drainage Easement Parcel A).

A copy of the plat of survey prepared by Brown & Mitchell, Inc., relative to the above described property, is attached hereto as Exhibit "A" and incorporated herein by reference.

This conveyance is subject to any and all restrictions or covenants of record and presently existing or recorded easements or rights of way, and is less and except any and all prior recorded oil, gas, or other mineral rights, granted, reserved, or excepted by present or prior owners.

Ad valorem taxes for the current year, 2003, are prorated and settled, and Grantee assumes said taxes for the current year and subsequent years.

WITNESS OUR signatures as duly authorized for and on behalf of the HARRISON COUNTY BOARD OF SUPERVISORS, acting by and through the HARRISON COUNTY DEVELOPMENT COMMISSION, on this the ____ day of _____, 2003.

HARRISON COUNTY
BOARD OF SUPERVISORS

BY: _____

TITLE: _____

ATTEST: _____
Clerk of the Harrison County
Board of Supervisors

HARRISON COUNTY
DEVELOPMENT COMMISSION

BY: _____

TITLE: _____

ATTEST: _____

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

STATE OF MISSISSIPPI

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this ____ day of _____, 2003, within my jurisdiction, the within named _____, who acknowledged that he is the President of the Harrison County Board of Supervisors, and that in said capacity he executed the above and foregoing instrument, after first being duly authorized by the Harrison County Board of Supervisors, to do so.

NOTARY PUBLIC

My Commission Expires:

STATE OF MISSISSIPPI

COUNTY OF HARRISON

Personally appeared before me, the undersigned authority in and for the said county and state, on this ____ day of _____, 2003, within my jurisdiction, the within named _____, who acknowledged that they are the President and Secretary of the Harrison County Development Commission, and that in said capacity they executed the above and foregoing instrument, after first being duly authorized by the Harrison County Development Commission, to do so.

NOTARY PUBLIC

My Commission Expires:

Grantors:
Harrison County Board of Supervisors
P.O. Drawer CC
Gulfport, MS 39502
(228) 865-4001

Grantee:
City of Gulfport, Mississippi
P.O. Box 1780
Gulfport, MS 39501
(228) 868-5811

And

Harrison County Development Commission
P.O. Box 569
Gulfport, MS 39502
(228) 863-3801

This instrument prepared by:
Hugh D. Keating, Esq.
Dukes, Dukes, Keating & Faneca, PA
2909 13th Street, Suite 601
P.O. Drawer W
Gulfport, MS 39502
(228) 868-1111

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

ORDER

There next came on for consideration the request of the HARRISON COUNTY DEVELOPMENT COMMISSION to concur in a Resolution authorizing the conveyance of an easement over and on certain real property situated in the City of Gulfport, First Judicial District of Harrison County, Mississippi, unto the CITY OF GULFPORT, MISSISSIPPI, and after a full discussion of the subject, Supervisor Bobby Eleuterius offered the adoption of the following Order, to-wit:

AN ORDER CONCURRING IN THE RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION AUTHORIZING THE SALE OF A PERMANENT UTILITY EASEMENT OVER AND ON A PORTION OF CERTAIN REAL PROPERTY OF HARRISON COUNTY, MISSISSIPPI, BEARING PARCEL NO. 0808G-01-021.005, CITY OF GULFPORT, FIRST JUDICIAL DISTRICT OF HARRISON COUNTY, MISSISSIPPI UNTO THE CITY OF GULFPORT, MISSISSIPPI, IN EXCHANGE FOR \$600.00.

It is, therefore,

ORDERED, that receipt of the Resolution of the Harrison County Development Commission authorizing the conveyance of an easement over certain real property situated in the City of Gulfport, Mississippi, unto CITY OF GULFPORT, MISSISSIPPI in exchange for the cash sum of \$600.00 is hereby acknowledged;

ORDERED, that this Board does concur in said Resolution and adopts the findings contained therein;

ORDERED, that the Harrison County Board of Supervisors does hereby approve the conveyance of an easement over and on a portion of certain real property being generally described as Parcel No. 0808G-01021.005, City of Gulfport, First Judicial District of Harrison

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

County, Mississippi, and being more particularly described in the survey copy attached to the Resolution of the Harrison County Development Commission as Exhibit "A"; and

ORDERED, that the President and Clerk of this Board are hereby authorized and directed to execute an easement in substantially the same form as the Easement attached to the Resolution of the Harrison County Development Commission as Exhibit "B".

SUPERVISOR Larry Benefield seconded the motion, and on a roll call vote, the result was as follows:

Supervisor Bobby Eleuterius	Voted: <u>AYE</u>
Supervisor Larry Benefield	Voted: <u>AYE</u>
Supervisor Marlin R. Ladner	Voted: <u>AYE</u>
Supervisor William Martin	Voted: <u>ABSENT & EXCUSED</u>
Supervisor Connie M. Rockco	Voted: <u>AYE</u>

A majority of the Supervisors present and voting in the affirmative, the President declared the motion carried and the order adopted on the 8th day of December, 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

The following Resolution of the Harrison County Development Commission came before the Board for consideration:

RESOLUTION

There next came on for discussion the entering into an agreement with the accounting firm of ALEXANDER, VAN LOON, SLOAN, LEVENS, & FAVRE, PLLC, to retain its general accounting and auditing services for the Harrison County Development Commission, and after a general discussion of the subject, Commission Member Richard Bennett, Jr., on behalf of the **Harrison County Development Commission**, made the motion to adopt the following Resolution:

A RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION APPROVING THE PROPOSAL SUBMITTED BY ALEXANDER, VAN LOON, SLOAN, LEVENS, & FAVRE, PLLC TO PROVIDE GENERAL ACCOUNTING AND AUDIT SERVICES TO THE HARRISON COUNTY DEVELOPMENT COMMISSION AND AUTHORIZING THE HARRISON COUNTY DEVELOPMENT COMMISSION TO ENTER INTO AN AGREEMENT FOR GENERAL ACCOUNTING AND AUDIT SERVICES WITH ALEXANDER, VAN LOON, SLOAN, LEVENS, & FAVRE, PLLC.

BE IT RESOLVED by the Harrison County Development Commission that:

WHEREAS, at a regular meeting of the Harrison County Development Commission, held on November 25, 2003, the recommendation of the Administrative Committee of the Harrison County Development Commission to consider the proposals submitted by certain accounting firms situated in Harrison County, Mississippi and to determine if any of these proposals were acceptable and to hold a vote to approve a proposal and authorize the Harrison County Development Commission to enter into an agreement for general accounting and audit services; and

WHEREAS, at said meeting of November 25, 2003, the Harrison County Development Commission made a factual determination that it was in the best interests of the public to approve the proposal submitted by Alexander, Van Loon, Sloan, Levens, & Favre, PLLC and to

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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authorize the Harrison County Development Commission to enter into an agreement with Alexander, Van Loon, Sloan, Levens, & Favre, PLLC to provide general accounting and audit services to the Harrison County Development Commission;

WHEREAS, the Harrison County Board of Supervisors, pursuant to § 59-9-25 of the Mississippi Code of 1972, as amended, should be requested to concur herein and to approve the terms and conditions of this agreement, which are set forth in the copy of the Professional Fee Structure attached hereto as Exhibit "A".

On a roll call vote, the result was as follows:

Commissioner Bert Allen	Voted: Aye
Commissioner Richard Bennett, Jr.	Voted: Aye
Commissioner Frank Castiglia, Jr.	Voted: Aye
Commissioner Franklin Kyle, Jr.	Voted: Aye
Commissioner Alicia Ellis	Voted: Aye
Commissioner William "Bill" Lyons	Voted: Aye
Commissioner Don Mason	Voted: Aye
Commissioner Bruce Nourse, President	Voted: Aye
Commissioner Philip Terrell	Voted: Aye
Commissioner Jimmy Walker	Voted: Aye
Commissioner Elmer Williams	Voted: Aye

A majority of the Members present and voting in the affirmative, the President declares the motion carried and the resolution adopted on the 25th day of November, 2003.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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STATE OF MISSISSIPPI
COUNTY OF HARRISON

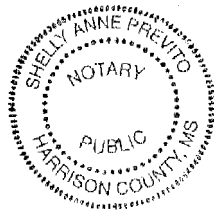
CERTIFICATE

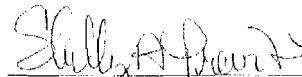
I, Merry Mayo, Staff Secretary of the Harrison County Development Commission, hereby certify that the attached Resolution dated November 25, 2003, is a true and correct copy of such Resolution adopted on such date.

WITNESS MY SIGNATURE, this the 3rd day of December, 2003.


Merry Mayo, Staff Secretary
Harrison County Development Commission

SWORN TO AND SUBSCRIBED BEFORE ME, this the 3rd day of December, 2003.




NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES:

Notary Public State of Mississippi At Large
My Commission Expires: April 4, 2006
Bonded Thru Dixie Notary Service, Inc.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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PROFESSIONAL FEE STRUCTURE

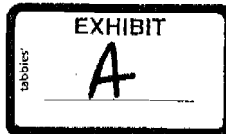
Our proposed fixed fees for the audit of the annual component unit government financial statements of the Harrison County Development Commission under GASB 34 for the fiscal years ending September 30, 2003 and 2004 are as follows:

	September 30	
	2003	2004
Basic Audit Engagement Fee (See attached Budgeted Hours by Staff Position)	\$19,435	\$17,120
GASB 34 Implementation	\$4,875	\$3,000
Discount	(\$5,600)	(\$4,020)
Total Fees	<u>\$18,710</u>	<u>\$16,100</u>

GASB 34 implementation the first year adds approximately 65 additional hours for conversion of the current reporting to the new GASB 34 model, as well as for the additional procedures that will be required as a direct result thereof (see **GASB 34 ISSUES** included in the **STATEMENT OF UNDERSTANDING AND APPROACH** section of this proposal which discusses Commission involvement with GASB 34 implementation). **We estimate that the Commission could save as much as \$4,200 by preparing the GASB 34 financial report itself the first year of implementation and about \$3,200 the second year.** Of course, this would depend on the availability of staff and the requisite understanding of the new GASB 34 model in order for the Commission to accept this portion of the work. Should the Commission determine that it has the ability to prepare these reports, we will allow the Board to issue a change order to our contract for an agreed-upon reduction in fee. **As also noted in the Statement of Understanding and Approach section, the above fees assume that the Commission continues to have adequate detailed fixed asset records that agree to the financial statements and an inventory has been taken to verify the validity of those records.**

Other Considerations

- The above fees are based on full cooperation from your personnel, the availability of accounting records, the anticipation that all schedules requested will be completed accurately and timely, and the assumption that there will be no issues of noncompliance with laws and regulations identified by our audit procedures or other unexpected circumstances that would significantly increase the scope of our work.
- The above fees assume that the Commission will not be required to have a Single Audit based on Federal Programs. The General Accounting Office (GAO) recently raised the threshold for Single Audits from \$300,000 to \$500,000 beginning in fiscal year 2004. Since the Commission does not usually receive in excess of the current \$300,000 threshold for performing a Single Audit, it is not expected that the threshold would be exceeded in future years. In the event that the Commission is required to have a Single Audit for any given year, we estimate that the additional fee for performing a Single Audit would range between \$4,000 and \$5,500.



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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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BUDGETED HOURS BY STAFF POSITION

<u>Category</u>	<u>Budgeted</u> <u>Hours</u>	<u>Year</u> <u>2</u>	<u>Manager/ Partner</u>	<u>Senior</u>	<u>Staff</u>
General Program:					
Planning, Preliminary & Risk Assessments	14	14	-	10	-
Supervision and Review	24	20	10	14	-
Subsequent Events, Commitments & Contingencies, Risks & Uncertainties, etc	8	8	-	8	-
Trial Balances & Adjustments	8	6	-	-	8
Financial Statements & Reports	32	30	-	16	16
Management Letter	6	4	-	6	-
Report Delivery & Other Conferences	2	2	2	-	-
Minutes, Contracts, Ordinances, & Laws	8	8	-	8	-
Internal Control Documentation & Analysis	8	4	-	8	-
Cash and Investments	12	10	-	-	12
Interfund accounts and transactions	4	4	-	-	4
Prepays, Deposits, & Deferred assets	4	2	-	-	4
Revenues & Receivables	34	30	-	14	20
Expenses & Accounts Payable	40	36	-	5	35
Payroll and Related Liabilities	6	5	-	-	6
Inventories	2	1	-	2	-
Fixed Assets/ Expenditures & Allocations	12	12	-	-	12
Debt and Debt Compliance	6	6	-	-	6
Fund Equities	4	4	-	4	-
Deferred and Other Liabilities	2	2	-	-	2
State Compliance	8	8	-	-	8
Single Audit	n/a	0	-	-	-
Total Proposed Hours	<u>244</u>	216	16	95	133
Standard Hourly Rates		x	\$140	\$90	\$65
Standard Fee	\$ 19,435.00		\$ 2,240.00	\$ 8,550.00	\$ 8,645.00
Less Discount provided @25%	<u>(4,860.00)</u>				
Proposed fee *	<u>\$ 14,575.00</u>				
Average Rate based on fee	<u>\$59.73</u>				

* The proposed fee shown is for the audit of fiscal year ending September 30, 2003. The proposed fee will be adjusted each subsequent audit year based on GASB 34 as follows:

		<u>Audit</u> <u>Fee</u>
Fiscal year ending September 30, 2004	214 hours	\$ 13,695.00 Without GASB34

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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ORDER

There next came on for consideration the request of the HARRISON COUNTY DEVELOPMENT COMMISSION to concur in a Resolution approving of the proposal to provide general accounting and audit services and authorizing the Harrison County Development Commission to enter into an agreement with Alexander, Van Loon, Sloan, Levens, & Favre, PLLC to provide such general accounting and audit services, and after full discussion of the subject, Supervisor BOBBY ELEUTERIUS offered the adoption of the following Order, to-wit:

AN ORDER CONCURRING IN THE RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION APPROVING A PROPOSAL SUBMITTED BY ALEXANDER, VAN LOON, SLOAN, LEVENS, & FAVRE, PLLC TO PROVIDE GENERAL ACCOUNTING AND AUDIT SERVICES TO THE HARRISON COUNTY DEVELOPMENT COMMISSION AND AUTHORIZING THE HARRISON COUNTY DEVELOPMENT COMMISSION TO ENTER INTO AN AGREEMENT FOR GENERAL ACCOUNTING AND AUDIT SERVICES WITH ALEXANDER, VAN LOON, SLOAN, LEVENS, & FAVRE, PLLC.

It is, therefore,

ORDERED, that the receipt of the Resolution of the Harrison County Development Commission approving the proposal to provide general accounting and audit services submitted by Alexander, Van Loon, Sloan, Levens, & Favre, PLLC, and authorizing the Harrison County Development Commission to enter into an agreement with Alexander, Van Loon, Sloan, Levens, & Favre, PLLC to provide such services is hereby acknowledged;

ORDERED, that this Board does concur in said Resolution and adopts the findings contained therein, and hereby approves of the terms and conditions set forth in the proposal attached to the Resolution as Exhibit "A" and authorizes the Harrison County Development

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Commission to enter into an agreement with Alexander, Van Loon, Sloan, Levens, & Favre, PLLC, the terms and conditions consistent with those contained in the aforesaid proposal.

SUPERVISOR LARRY BELEFIELD seconded the motion, and on a roll call vote, the result was as follows:

Supervisor Bobby Eleuterius	Voted: <u>AYE</u>
Supervisor Larry Benefield	Voted: <u>AYE</u>
Supervisor Marlin R. Ladner	Voted: <u>AYE</u>
Supervisor William Martin	Voted: <u>AYE</u>
Supervisor Connie M. Rockco	Voted: <u>ABSTAINED</u>

A majority of the Supervisors present and voting in the affirmative, the President declared the motion carried and the order adopted on the 8th day of December, 2003.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

The following Resolution of the Harrison County Development Commission came before the Board for consideration:

RESOLUTION

There next came on for discussion the entering into an agreement with the law firm of ALLEN, VAUGHN, COBB & HOOD, P.A., to retain its services as general counsel for the Harrison County Development Commission, and after a general discussion of the subject, Commission Member Richard Bennett, Jr., on behalf of the **Harrison County Development Commission**, made a motion to adopt the following Resolution:

A RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION APPROVING THE PROPOSAL SUBMITTED BY ALLEN, VAUGHN, COBB & HOOD, P.A. TO PROVIDE LEGAL SERVICES AND TO SERVE AS GENERAL COUNSEL TO THE HARRISON COUNTY DEVELOPMENT COMMISSION AND AUTHORIZING THE HARRISON COUNTY DEVELOPMENT COMMISSION TO ENTER INTO AN AGREEMENT FOR LEGAL SERVICES WITH ALLEN, VAUGHN, COBB & HOOD, P.A.

BE IT RESOLVED by the Harrison County Development Commission that:

WHEREAS, at a regular meeting of the Harrison County Development Commission, held on November 25, 2003, the recommendation of the Administrative Committee of the Harrison County Development Commission to consider the proposals submitted by certain law firms situated in Harrison County, Mississippi, to determine whether any of these proposals were acceptable and to hold a vote to approve a proposal and authorize the Harrison County Development Commission to enter into an agreement for non-exclusive legal services;

WHEREAS, at said meeting of November 25, 2003, the Harrison County Development Commission made a factual determination that it was in the best interests of the public to approve the proposal submitted by Allen, Vaughn, Cobb & Hood, P.A. and to authorize the Harrison County Development Commission to enter into an agreement with Allen, Vaughn, Cobb & Hood, P.A. to provide non-exclusive legal services and to serve as general counsel to the

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Harrison County Development Commission, in accordance with the terms and conditions set forth in the copy of the Legal Services Agreement attached hereto as Exhibit "A";

WHEREAS, the Harrison County Board of Supervisors, pursuant to § 59-9-25 of the Mississippi Code of 1972, as amended, should be requested to concur with the Resolution of the Harrison County Development Commission to retain Allen, Vaughn, Cobb & Hood, P.A. as its legal counsel on a non-exclusive basis, in accordance with the terms and conditions as set forth in the copy of the Legal Services Agreement attached hereto as Exhibit "A". It is therefore,

RESOLVED, that the Harrison County Development Commission is hereby authorized to retain Allen, Vaughn, Cobb & Hood, P.A. as its legal counsel on a non-exclusive basis, in accordance with the terms and conditions set forth in the copy of the Legal Services Agreement attached hereto as Exhibit "A"; and

RESOLVED, that the Harrison County Board of Supervisors is hereby requested to concur in this Resolution.

On a roll call vote, the result was as follows:

Commissioner Bert Allen	Voted: Aye
Commissioner Richard Bennett, Jr.	Voted: Aye
Commissioner Frank Castiglia, Jr.	Voted: Aye
Commissioner Franklin Kyle, Jr.	Voted: Aye
Commissioner Alicia Ellis	Voted: Aye
Commissioner William "Bill" Lyons	Voted: Aye
Commissioner Don Mason	Voted: Aye
Commissioner Bruce Nourse, President	Voted: Abstain
Commissioner Philip Terrell	Voted: Nay
Commissioner Jimmy Walker	Voted: Aye
Commissioner Elmer Williams	Voted: Aye

A majority of the Members present and voting in the affirmative, the President declares the motion carried and the resolution adopted on the 25th day of November, 2003.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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STATE OF MISSISSIPPI
COUNTY OF HARRISON

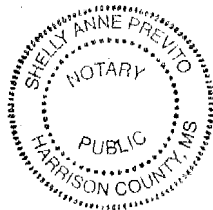
CERTIFICATE

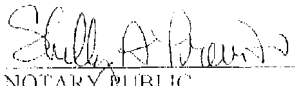
I, Merry Mayo, Staff Secretary of the Harrison County Development Commission,
hereby certify that the attached Resolution dated November 25, 2003, is a true and correct copy
of such Resolution adopted on such date.

WITNESS MY SIGNATURE, this the 3rd day of December, 2003.


Merry Mayo Staff Secretary
Harrison County Development Commission

SWORN TO AND SUBSCRIBED BEFORE ME, this the 3rd day of December,
2003.




NOTARY PUBLIC

(SEAL)

MY COMMISSION EXPIRES:

Notary Public State of Mississippi At Large
My Commission Expires: April 4, 2006
Bonded Thru Dixie Notary Service, Inc.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

LEGAL SERVICES AGREEMENT

For and in consideration of the law firm of Allen, Vaughn, Cobb & Hood, P.A., representing the Harrison County Development Commission (HCDC) in the capacity of General Legal Counsel, HCDC hereby agrees to compensate Allen, Vaughn, Cobb & Hood, P.A. for expenses incurred in legal services performed by assigned attorneys at hourly rates described on the attached Schedule A.

All attorneys performing services at the request of HCDC will itemize services in tenths of an hour increments, as well as all expenses incurred.

This agreement shall be effective beginning _____, 20____ and remain in force and effect for a period of Two (2) years from that date. If HCDC has not entered into a subsequent agreement for the provision of General Legal Counsel services upon or before the expiration of this agreement, the provisions herein shall remain in force and effect until such time as HCDC has entered into such an agreement. This agreement may otherwise be terminated by either party at any time with sixty (60) days notice.

This the _____ day of _____, 2003.

ALLEN, VAUGHN, COBB & HOOD P.A.

BY: _____

HARRY R. ALLEN

HARRISON COUNTY DEVELOPMENT
COMMISSION

BY: _____



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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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SCHEDULE A

SCHEDULE OF PROPOSED HOURLY RATES

ALL LEGAL SERVICES:

Harry R. Allen	\$160.00
Thomas E. Vaughn	150.00
Eric Wooten	150.00
Jeff Pierce	125.00
Jamie White	125.00
Dan Alexander	115.00
Paralegal	75.00

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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ORDER

There next came on for consideration the request of the HARRISON COUNTY DEVELOPMENT COMMISSION to concur in a Resolution approving of the proposal to provide legal services and authorizing the Harrison County Development Commission to enter into an agreement with Allen, Vaughn, Cobb & Hood, P.A. to provide such legal services, and after full discussion of the subject, Supervisor LARRY BENEFIELD offered the adoption of the following Order, to-wit:

AN ORDER CONCURRING IN THE RESOLUTION OF THE HARRISON COUNTY DEVELOPMENT COMMISSION APPROVING A PROPOSAL SUBMITTED BY ALLEN, VAUGHN, COBB & HOOD, P.A. TO PROVIDE LEGAL SERVICES AND SERVE AS GENERAL COUNSEL TO THE HARRISON COUNTY DEVELOPMENT COMMISSION AND AUTHORIZING THE HARRISON COUNTY DEVELOPMENT COMMISSION TO ENTER INTO AN AGREEMENT FOR LEGAL SERVICES WITH ALLEN, VAUGHN, COBB & HOOD, P.A..

It is, therefore,

ORDERED, that the receipt of the Resolution of the Harrison County Development Commission approving the proposal to provide legal services submitted by Allen, Vaughn, Cobb & Hood, P.A., and authorizing the Harrison County Development Commission to enter into an agreement with Allen, Vaughn, Cobb & Hood, P.A. to provide such services is hereby acknowledged;

ORDERED, that this Board does concur in said Resolution and adopts the findings contained therein, and hereby approves of the terms and conditions set forth in the proposal attached to the Resolution as Exhibit "A" and authorizes the Harrison County Development Commission to enter into an agreement with Allen, Vaughn, Cobb & Hood, P.A., the terms and conditions consistent with those contained in the aforesaid proposal.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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SUPERVISOR BOBBY ELEUTERIUS seconded the motion, and on a roll call vote, the result was as follows:

Supervisor Bobby Eleuterius	Voted: <u>AYE</u>
Supervisor Larry Benefield	Voted: <u>AYE</u>
Supervisor Marlin R. Ladner	Voted: <u>AYE</u>
Supervisor William Martin	Voted: <u>AYE</u>
Supervisor Connie M. Rockco	Voted: <u>NAY</u>

A majority of the Supervisors present and voting in the affirmative, the President declared the motion carried and the order adopted on the 8th day of December, 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

RESOLUTION OF THE HARRISON COUNTY BOARD OF SUPERVISORS TO SUPPORT THE LEGISLATIVE AMENDMENT OF SECTION 37-29-437, MISSISSIPPI CODE ANNOTATED OF 1972, TO PROVIDE (1) THAT THE LIMITATION ON TAX LEVIES BE GOVERNED BY THOSE LIMITATIONS SET FORTH IN SECTIONS 27-39-320 AND 27-29-321, MISSISSIPPI CODE ANNOTATED OF 1972, AS AMENDED, AND (2) THAT TAX LEVIES DESIGNATED BY THE BOARD OF TRUSTEES OF THE MISSISSIPPI GULF COAST COMMUNITY COLLEGE FOR THE RETIREMENT OF BONDS PURSUANT TO SECTION 37-29-429 THROUGH 37-29-435 SHALL NOT BE INCLUDED IN THE LIMITATIONS ON TAX LEVIES AUTHORIZED BY SECTIONS 27-29-320 AND 27-29-321 MISSISSIPPI CODE ANNOTATED OF 1972

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	NAY
Supervisor LARRY BENEFIELD voted	NAY
Supervisor MARLIN R. LADNER voted	NAY
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	NAY

The Motion having received a negative vote from the majority of the members present, the President then declared the motion failed.

THIS, the 8th day of December 2003.

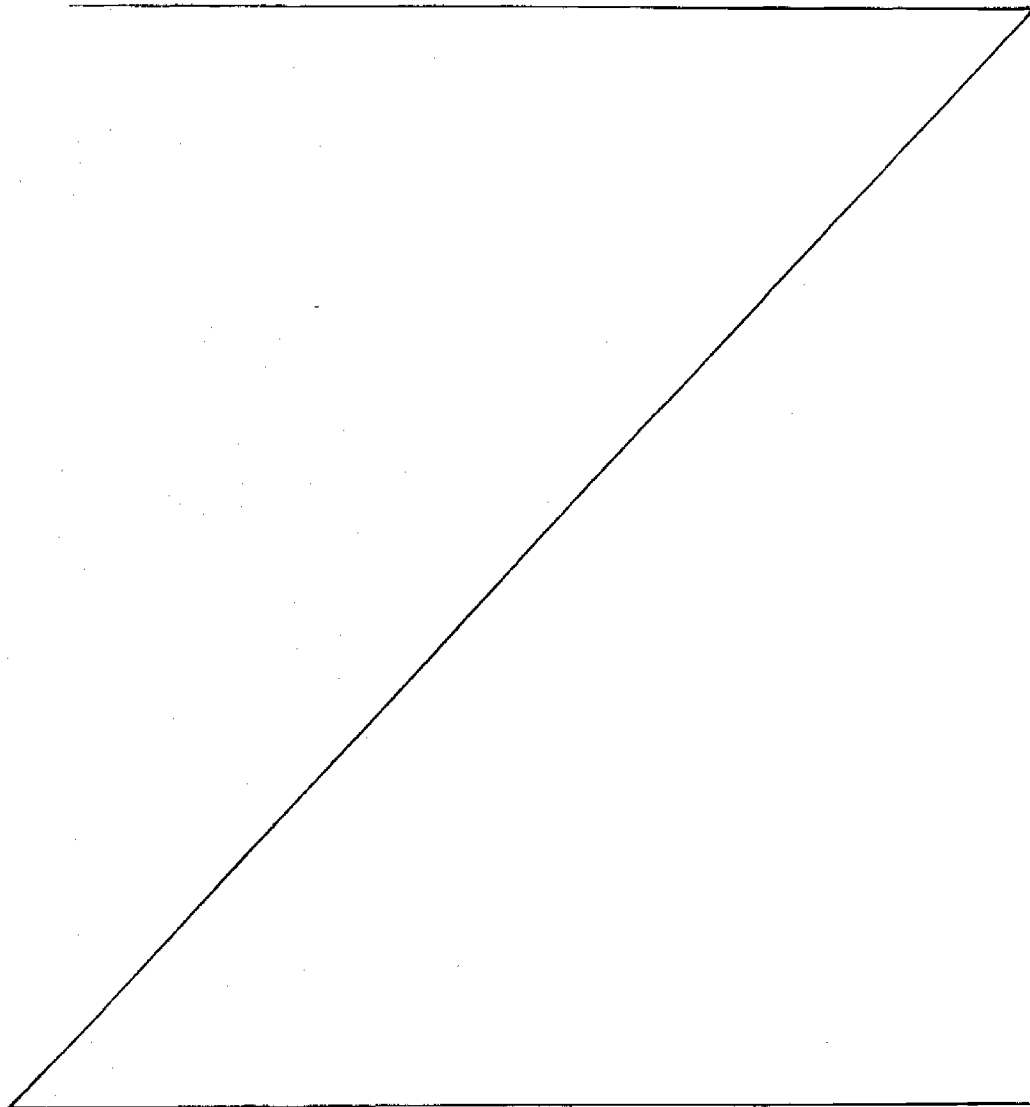
* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING SUPPLEMENTAL AGREEMENT NO. 1 & 2 TO
TRADITION PARKWAY PROJECT NO. DECD-0024 (14)B, PHASE 1B
WORTHAM ROAD TO HIGHWAY 67, AS RECOMMENDED BY
GARNER RUSSELL, ENGINEER, AND AUTHORIZING BOARD
PRESIDENT TO EXECUTE AGREEMENTS**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE and does HEREBY AUTHORIZE the Board president to execute the following Supplemental Agreement No. 1 & 2 to Tradition Parkway Project No. DECD-0024 (14)b, Phase 1B Wortham Road to Highway 67, as recommended by Garner Russell, Engineer:



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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State Aid Suppl. Agreement - Contract
(6-1-54)

SUPPLEMENTAL AGREEMENT No. 1

State Aid Project No. DECD-6024(14)B, Ph.1B
Harrison County

DIVISION OF STATE AID ROAD CONSTRUCTION
STATE HIGHWAY DEPARTMENT OF MISSISSIPPI

WHEREAS, (I), (We), Fore Construction, Inc.
Contractor, of P. O. Box 2324, Gulfport, MS 39509-2324 and
the Insurance Company of the West _____ of
San Diego, California, Surety, entered into a contract with the Board
of Supervisors of Harrison County on the 6th day of
May, 2002, for the construction of the above designated project, and

WHEREAS, the Harrison County Board of Supervisors has entered into a
contract with Fore Construction, Inc., for the construction of 1.684
miles of county roads in Harrison County, and

WHEREAS, there has been an abnormal amount of rainfall and two
tropical storms which caused excessive amounts of erosion, and

WHEREAS, reshaping of shoulders, foreslopes, and backslopes were
required several times.

NOW, THEREFORE, be it resolved that it is mutually agreed that all
reshaping of shoulders and slopes will be paid as a lump sum price of
\$25,000.00 under Pay Item:

Pay Item No.	Description	Unit
S-205-K	Reshape Shoulders and Slopes	Lump Sum

This agreement in no way modifies or changes the original contract of which it
becomes a part, except as specifically stated herein.

NOW, THEREFORE, (I) (We) Fore Construction, Inc.
Contractor, and the Insurance Company of the West Surety hereby
agree to said Supplemental Agreement consisting of the above mentioned items and
prices and agree that his Supplemental Agreement is hereby made a part of the
original contract to be performed under the specifications thereof, and that the
original contract is in full force and effect except as it might be modified by this
Supplemental Agreement.

Dated this the _____ day of _____

Insurance Company of the West
Surety

Fore Construction, Inc.
Contractor

BY: [Signature]
Attorney-in-Fact John B. Sneed

BY: [Signature]
Title [Signature]

RECOMMENDED FOR APPROVAL:

County Engineer

APPROVED 4/19/03
Date

APPROVED:
BOARD OF SUPERVISORS

Harrison COUNTY
(By Order of the Board
Dated _____)

Division of State Aid Road Construction

BY: _____
President

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

State Aid Suppl. Agreement - Contract
(6-1-54)

SUPPLEMENTAL AGREEMENT No. 2

State Aid Project No. DECD-0024(14)B, Ph. 1B
Harrison County

DIVISION OF STATE AID ROAD CONSTRUCTION
STATE HIGHWAY DEPARTMENT OF MISSISSIPPI

WHEREAS, (I), (We), Fore Construction, Inc
Contractor, of P. O. Box 2324, Gulfport, MS 39505 2324 and
the Insurance Company of the West of
San Diego, California, Surety, entered into a contract with the Board
of Supervisors of Harrison County on the 6th day of
May, 2002, for the construction of the above designated project, and

WHEREAS, the estimated quantities of earthwork greatly exceeded the actual measured quantities.
These items and quantities are outlined hereinafter, and

Roadway Items	Original Contract	Final Measured	Difference	% Underrun
S-203-D Muck Excavation	12,217.00	8,326.00	3,891.00	31.85
S-203 E-1 Borrow Excavtion (A.H.) (FME) Contractor Furnished, Class 6	33,140.50	11,598.00	21,542.50	65.00
S-304 Granular Material (LVM), Class 6, Group C	7,032.00	3,395.00 (1)	4,452.00	63.31
S-304 Granular Material (LVM), Class 9, Group B	23,875.00	14,612.00	9,263.00	38.80

WHEREAS, the contract documents allow for an increase in unit prices up to Average Year State Aid Prices when a pay item changes by more than 25%, and

WHEREAS, the above outlined Roadway Items underran the estimated contract quantities by more than 25% as shown.

NOW, THEREFORE, after several meetings, discussions, and negotiations between interested parties the earthwork quantities due to the large underruns are adjusted as hereinafter outlined.

Roadway Items	Unit Price Bid	State Avg Adjusted Unit Price
S-203-D Muck Excavation	\$2.50	\$4.799 (2)
S-203-E-1 Borrow Excavtion (A.H.) (FME) Contractor Furnished, Class 6	\$4.95	\$4.80 (3)
S-304 Granular Material (LVM), Class 6, Group C	\$7.65	\$9.926
S-304 Granular Material (LVM), Class 9, Group B	\$3.65	\$4.168

- (1) Measured quantities reduced by 24% due to failure to meet specifications.
(2) Pay at \$4.799 would exceed total bid amount. Negotiated to \$3.50 per C.Y.
(3) Bid Price greater than State Average Price. To remain at \$4.95.

Bid Quantities & Bid Unit Price Costs

S-203-D Muck Excavation	12,217.00 C.Y.	@ \$2.50 =	\$30,542.50
S-304 Granular Material (LVM), Class 6, Group C	7,032.00 C.Y.	@ \$7.65 =	\$53,794.80
S-304 Granular Material (LVM), Class 9, Group B	23,875.00 C.Y.	@ \$3.65 =	\$87,143.75
			\$171,481.05

Actual As-Bid Quantities with Adjusted Unit Prices

S-203-D Muck Excavation	8,326.00 C.Y.	@ \$3.50 =	\$29,141.00
S-304 Granular Material (LVM), Class 6, Group C	2,580.00 C.Y.	@ \$9.926 =	\$25,609.08
S-304 Granular Material (LVM), Class 9, Group B	14,612.00 C.Y.	@ \$4.168 =	\$60,902.82
			\$115,652.90

Net Change: Deduct of..... \$55,828.15

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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This agreement in no way modified or changes the original contract of which it becomes a part, except as specifically stated herein.

NOW, THEREFORE, I (We) Fore Construction, Inc. Contractor, and the Insurance Company of the West Society hereby agree to said Supplemental Agreement consisting of the above mentioned items and prices and agree that his Supplemental Agreement is hereby made a part of the original contract to be performed under the specifications thereof, and that the original contract is in full force and effect except as it might be modified by this Supplemental Agreement.

Dated this the _____ day of _____

Insurance Company of the West
Society
BY: [Signature]
Attorney-in-Fact John B. Sneed

Fore Construction, Inc.
Contractor
BY: [Signature]
Title President

RECOMMENDED FOR APPROVAL:

County Engineer

APPROVED _____
Date

APPROVED:
BOARD OF SUPERVISORS

Harrison COUNTY
(By Order of the Board
Dated _____)

Division of State Aid Road Construction

BY: _____
President

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MINUTES
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DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	ABSTAINED
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING PAYMENT OF 2004 MISSISSIPPI PUBLIC
LANDS COALITION DUES IN THE AMOUNT OF \$231.00**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE payment of 2004 Mississippi Public Lands Coalition Dues in the amount of \$231.00.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

**ORDER APPROVING EXTENSION OF CONTRACT BETWEEN THE
 PARTNERSHIP FOR A HEALTHY MISSISSIPPI AND PARTNERSHIP
 FOR A HEALTHY HARRISON COUNTY IN THE AMOUNT OF
 \$38,864.00 UNTIL MAY 31, 2004, AND AUTHORIZING BOARD
 PRESIDENT TO EXECUTE SAME**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE extension of contract between the Partnership for a Healthy Mississippi and Partnership for a Healthy Harrison County in the amount of \$38,864.00 until May 31, 2004, and does HEREBY AUTHORIZE Board President to execute same.

ADDENDUM TO THE CONTRACT BETWEEN
 THE PARTNERSHIP FOR A HEALTHY MISSISSIPPI
 AND
 THE PARTNERSHIP FOR A HEALTHY HARRISON COUNTY

This addendum to the contract of May 2004 is executed by and between The Partnership for a Healthy Mississippi (hereinafter referred to as the PHM), whose principal place of business is 350 West Woodrow Wilson Drive, Suite 499, Jackson MS 39213 and The Partnership for a Healthy Harrison County (hereinafter referred to as the RECIPIENT), whose principal place of business is P.O. Box 1480, Gulfport, MS 39502.

BE IT KNOWN, that for good and valuable consideration the parties made the following additions or changes to the above referenced contract:

The time frame for the contract is extended to May 31st, 2004.

The total cost for the extension of the contract is \$38,864.00.

The Scope of Work in Attachment A is expanded to require the following:

ATTACHMENT A

The Partnership for a Healthy Mississippi
 Community Youth Partnerships
 The Partnership for a Healthy Harrison County

December 1, 2003 - May 31, 2004

Scope of Work

A. Standard Requirements for each Continuity Youth Partnership (CYP):

Reporting Procedures

1. Weekly *memos* must be submitted by Friday 4 pm for each person designated in the personnel category paid with Partnership funds.
2. Completed program progress reports and fiscal reports are to be submitted to the Partnership office by the 15th of each month.
3. A calendar of events form for the upcoming month should be completed and submitted to the CYP Information Specialist by the 15th of every month.
4. A proposed Master Management Work Plan (MMWP) is to be completed and received in the Partnership office before the end of business on April 22, 2003. The Partnership will review the plans and provide comments before or after your contract review meeting to grant the final approval of your MMWP.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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5. Any proposed deviations from the MMWP must be submitted to your CYP program monitor three working days prior to the deviation. The CYP program monitor will notify in writing if the deviation is approved.

Prior Approvals

6. All printing and press releases related to programs sponsored and financed by the Partnership must be approved by the Partnership's Public Relations Manager at least three working days prior to production.
7. Any and all scholarship and/or sponsorship information must be approved by the designated Partnership program and fiscal monitors at least 10 working days prior to awarding funds.
8. CYP travel outside of the designated CYP area must be approved by the Partnership program monitor at least two days before scheduled event.
9. All CYP equipment and incentive purchases to be financed with Partnership funds must be approved by the designated fiscal monitor at least 10 working days prior to order placement.

B. General Structure of the Community Youth Partnership (CYP)

CYP Operational Activities

1. The CYP is required to establish a CYP Advisory Board (25% of which shall be youth) that meets at least once every two months. The CYP Advisory Board and General Coalition Members should be comprised of representative persons of the community the CYP serves. The CYP is required to include a member of the faith-based community, law enforcement community, education community, healthcare community, and communication community as advisory board members.

**The CYP Advisory Board must be a separate membership board from the fiscal agent's general membership and/or Board of Directors.*

2. The CYP will be required to develop a membership plan to increase board diversity, recruitment, participation and activities that will be due in the Partnership office by June 15, 2003.
3. The CYP paid staff are required to have basic knowledge of community networking and policy development at the end of the contract term.
4. The CYP will be required to conduct a board planning meeting/retreat during the month of July.
5. The CYP will receive quarterly program monitoring visits through May 31, 2004 by their designated Partnership program monitor.
6. The CYP will receive quarterly fiscal monitoring through May 31, 2004 by their designated Partnership fiscal monitor.

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**3 Technical assistance will be available at all times during the grant period to assist the CYP in increasing their effectiveness as a community coalition.*

C. Communication and Community Advocacy Activities

1. The CYP is required to submit at least one article per month to local community newspapers for publication. General template article information will be supplied by the Partnership to the CYP Director on a monthly basis.
2. The CYP will facilitate presentations to an additional 3 community organizations (i.e. civic groups or clubs, fraternities and sororities, non-profit organizations, etc.) to increase awareness of the Partnership and the local CYP programs and events by May 31, 2004.
3. The CYP should collect a minimum of 25 letter of support from community persons and/or organizations to present to key community leaders during scheduled visits by February 1, 2004.

D. Teacher Education Program

(Sponsored by the Center for Tobacco Prevention and Health Promotion)

1. The CYP will be required to work in conjunction with Trainers of the Center for Tobacco Prevention and Health Promotion to conduct follow-up activities in their respective CYP areas.
2. The CYP will be provided a listing of trained teachers in their CYP area by the Center for Tobacco Prevention and Health Promotion by June 5, 2003. Posters will be provided to the CYP to distribute in schools to assist with follow-up efforts, generate interest. By September 1, 2003, the CYP should collect all posters and information for teachers interested in being trained and/or if they are interested in receiving additional materials.

E. Tobacco School Nurses

1. The CYP will mail Tobacco School Nurses in advance notice (at least 10 working days with specified time and date) of scheduled CYP Coalition Membership Meetings.
2. The CYP and Tobacco School Nurse will jointly facilitate and implement a minimum of one awareness activity during the contract year.

F. Targeted Programs

The CYP will mail the Targeted Programs covering their designated CYP areas in advance notice (at least 10 working days with specified time and date) of scheduled CYP Coalition Membership Meetings.

G. Awareness Activities

General Requirements

1. The CYP is required to conduct a minimum of 2 awareness activities per month, at least 6

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

awareness activities should be held in the CYP non-based county. Please refer to the list of acceptable awareness activities in the CYP Policy and Procedure Manual.

2. In addition to the PHM required awareness activities, the CYP will be required to participate in 4 PHM sponsored activities in the months of December- May (e.g. poster contests, youth rallies, clean indoor air/policy activities, etc.).

December	March
Refriday cards to community leaders Continue scheduled appointments and presentations to community leaders	OPEN
January	April
Clean Indoor Air/Policy Initiatives in your community	OPEN
February	May
OPEN	Mother's Day Promotion

H. Prevention Programs and Programmatic Activities

General Team Requirements

1. The CYP will be responsible for coordinating and monitoring Partnership Youth Program Teams in their assigned counties.
 - ◆ One half of the CYP assigned Youth Program teams must be registered and active by September 1, 2003.
 - ◆ The remaining CYP assigned Youth Program teams must be registered and active by October 1, 2003.

Active Team – completing and submitting reports for 5 additional activities with currently registered teams from a Partnership Youth Program manual by May 31, 2004.

2. Each Partnership Youth Program team should have a maximum of 45 students per team, whether the team is registered as a RAT Pack team, SWAT, Allies or Frontline team.

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3. All team activities, manual and other community activities, should be reported to the appropriate Youth Program Coordinator.

**Activities which are not submitted to the appropriate Youth Program Coordinator will not be considered for fulfillment of contractual requirements.*

Required Partnership Youth Program Teams by County

	RAT	SWAT	Albies	Frontline
Harrison County	3	5	3	3
TOTAL TEAMS	3	5	3	3

Optional Programmatic Activities

4. The CYP may also implement other programmatic activities in their assigned counties. *Please refer to your listing of Prevention Programs and Programmatic Activities.*

- ◆ WATCH program or the WATCH dictionary program.
- ◆ CYP program of choice approved by your designated Partnership CYP monitor.
- ◆ Campus - Summer, Day or Spring Break
- ◆ TATU (Teens Against Tobacco Use) program, sponsored by the American Lung Association.

I. Faith-Based Program

The CYP is required to recruit faith-based organizations to join the CYP and monitor activities of funded organizations.

J. Cessation Programs

The CYP may conduct 3 additional cessation education presentations to employees of 3 worksites (target worksite areas should have a minimum of 100 employees but no more than 500 employees) OR implement a minimum of one approved cessation program by partnering with one or more community organization/s by May 31, 2004.

Approved Cessation Programs include the following:

I. NOT (Not on Tobacco), a youth cessation program sponsored by the American Lung Association.

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3. FFS (Freedom from Smoking), an adult cessation program sponsored by the American Lung Association.

A standard marketing flyer promoting the cessation the program will be provided to the CYP if needed.

K. Clear Indoor Air and Community Policy Activities

1. Each CYP will be required to work throughout their assigned areas to facilitate policy initiatives in public buildings, restaurants, worksites, churches, daycare centers, healthcare facilities and/or parks for the current grant year.
2. Each CYP will assist with local assessment of Clean Indoor Air policies in the CYP designated counties with Mississippi Smokeless States Alliance (MSSA) monitors.

L. Evaluation

1. The CYP is required to conduct evaluations of events, activities and meetings to be kept on file at the CYP office for review by the CYP program monitor during scheduled monitoring visits.

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The Budget in Attachment D is expanded to reflect the additional allocated funds:

Attachment D

<u>Harrison County</u>	
Approved Budget	\$38,864.00
Personnel	\$24,975.00
Travel	\$ 1,979.00
Commodities	\$ 751.00
Indirect/Operating Costs	\$ 1,875.00
Program Activities	\$ 9,284.00
TOTAL BUDGET	\$38,864.00

Any funds remaining from the initial contract may only be expended at the express written permission of the PHM fiscal monitor. Additionally, RECIPIENT is required to submit a detailed budget narrative to the PHM fiscal monitor for written approval by December 10th for all funds remaining from the initial contract and all funds granted in the addendum.

Furthermore, RECIPIENT commits that no financial encumbrance will extend beyond May 31st, 2004 and RECIPIENT commits to return all unused funding at the end of the grant period.

All other terms and provisions of said contract shall remain in full force and effect.

IN WITNESS WHEREOF, this addendum has been executed in duplicate originals

Signed this the ____ day of November ____, 2003

Accepted for:

Name of Fiscal Agent

Title

Date

Mike Moore

Date

Chairman

Partnership for a Healthy Mississippi

MINUTES
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Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER APPROVING PURCHASE OF A 72 INCH 7-IRON S. D. MOWER
DECK (1400 SERIES) FROM STATE CONTRACT #5-515-04638 PRICE
OF \$2,860.10 FOR USE AT PARKS & RECREATION, AND
AUTHORIZING BUDGET AMENDMENT TO 001-520-919**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE purchase of a 72 inch 7-IRON S. D. Mower Deck (1400 Series) from state contract #5-515-04638 price of \$2,860.10 for use at Parks & Recreation, and does HEREBY AUTHORIZE budget amendment to 001-520-919.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

ORDER APPROVING ADVERTISEMENT OF COUNTY RESOURCES
PAYABLE FROM 001-675-522, AS LISTED

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE advertisement of County resources payable from 001-675-522, as listed:

\$100.00 for full page ad in the program book for Orange Grove Carnival Association.

\$100.00 for full page ad in 2004 Pirate Baseball Program

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

**TRANSFER AND LIMITATION SUMMARY
AND APPROVAL**

NFA# 600-03-04

LOCAL WORKFORCE INVESTMENT AREA: Gulf Coast

GRANTEE: Harrison County

PY 2003 YOUTH	ALLOCATION	LOCAL PLAN
AUTHORIZED ALLOCATION AVAILABLE:	\$950,870.00	
MAXIMUM ALLOWABLE ADMINISTRATION (10%)	\$95,087.00	

*(To be completed by the Local
Workforce Investment Area)*

PY 2003 ADULT	ALLOCATION	LOCAL PLAN
AUTHORIZED ALLOCATION AVAILABLE:	\$913,958.00	
MAXIMUM ALLOWABLE ADMINISTRATION (10%)	\$91,395.80	
MAXIMUM ALLOWABLE TRANSFER (30%)	\$274,187.40	
PLANNED TRANSFER AMOUNT:		\$0.00
FUNDS AVAILABLE		\$0.00

*(To be completed by the Local
Workforce Investment Area)*

PY 2003 DISLOCATED WORKER	ALLOCATION	LOCAL PLAN
AUTHORIZED ALLOCATION AVAILABLE:	\$1,026,271.00	
MAXIMUM ALLOWABLE ADMINISTRATION (10%)	\$102,627.10	
MAXIMUM ALLOWABLE TRANSFER (30%)	\$307,881.30	
PLANNED TRANSFER AMOUNT:		\$0.00
FUNDS AVAILABLE		\$0.00

APPROVED FOR THE
WORKFORCE INVESTMENT BOARD: _____

APPROVED FOR THE
LOCAL ELECTED OFFICIAL: _____

APPROVED FOR THE STATE: _____

The Local Area should submit four (4) copies, each with original signatures, to the Employment Training Division.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING DEPOSIT IN THE AMOUNT OF \$37,991.23 TO
MISSISSIPPI PUBLIC ENTITY WORKERS COMPENSATION TRUST
FUND, BRINGING IT TO THE \$50,000.00 REQUIRED AMOUNT**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE deposit in the amount of \$37,991.23 to Mississippi Public Entity Workers Compensation Trust fund, bringing it to the \$50,000.00 required amount.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

ORDER ACKNOWLEDGING RECEIPT OF THE REQUEST FOR REVIEW OF APPLICATION FILED WITH THE MISSISSIPPI DEPARTMENT OF MARINE RESOURCES BY ROYAL D'IBERVILLE DEVELOPMENT, INC., DMR-03436, AS ON FILE WITH THE CLERK OF THE BOARD, AND AUTHORIZING THE BOARD PRESIDENT TO EXECUTE THE ACKNOWLEDGMENT OF RECEIPT THEREOF

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY ACKNOWLEDGE receipt of Request for Review of application filed with the Mississippi Department of Marine Resources by Royal D'Iberville Development, Inc., DMR-03436, as on file with the Clerk of the Board; and the Board does HEREBY AUTHORIZE the Board president to execute the following acknowledgment of receipt:



MISSISSIPPI
 DEPARTMENT OF MARINE RESOURCES

REQUEST FOR REVIEW OF APPLICATION

To: Mayor of D'Iberville
 Harrison County District Attorney
 Harrison County Prosecuting Attorney
 Harrison County Board of Supervisors
 Gulf Regional Planning Commission
 Southern Mississippi Planning and Development District
 Mississippi Wildlife Federation
 Department of Wildlife, Fisheries and Parks
 Secretary of State

FROM: Department of Marine Resources

SUBJECT: Application by Royal D'Iberville Development, Inc.,
 DMR-03436

DATE: November 13, 2003

In accordance with the provisions of the Coastal Wetlands Protection Law, we herewith enclose a copy of the application by Royal D'Iberville Development, Inc., DMR-03436.

If you would like to comment on the proposed project, please provide your comments in writing to our office by 1:00 p.m. on December 11, 2003.

If you do not wish to submit comments on this application, please acknowledge receipt by signing and returning this Request to the Department of Marine Resources.

ACKNOWLEDGMENT OF RECEIPT: _____

Signature

Date

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER REAPPOINTING THE FOLLOWING MEMBERS TO THE
HARRISON COUNTY PLANNING COMMISSION REPRESENTING
DISTRICTS, AS LISTED, FOR A TERM ENDING DECEMBER 31, 2007**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY REAPPOINT the following members to the Harrison County Planning Commission representing Districts, as listed, for a term ending December 31, 2007:

Rondell Young, District One

David Ladner, District Three

Eddie Hartwell, District Four

Sharon Turnipseed, District Five

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER SPREADING UPON THE MINUTES THE LIST OF LEGAL
HOLIDAYS FOR 2004**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY SPREAD UPON THE MINUTES the following list of legal holidays for 2004:

2004 LEGAL HOLIDAYS
in Harrison County, Mississippi

NEW YEAR'S DAY	January 1, and January 2, 2004
GENERAL ROBERT E. LEE & DR. MARTIN LUTHER KING, JR.'S BIRTHDAY	January 19, 2004
MARDI GRAS	February 24, 2004
CONFEDERATE MEMORIAL DAY	April 26, 2004
MEMORIAL DAY	May 31, 2004
INDEPENDENCE DAY	July 4, 2004
LABOR DAY	September 6, 2004
VETERANS' DAY	November 11, 2004
THANKSGIVING	November 25, 2004
CHRISTMAS	December 25, 2004

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER ACKNOWLEDGING RECEIPT AND SPREADING UPON THE
MINUTES LETTER RECEIVED FROM STEPHEN RICHER, EXECUTIVE
DIRECTOR OF TOURISM REGARDING OFFICE SPACE**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does **HEREBY ACKNOWLEDGE** receipt and spreading upon the minutes the following letter received from Stephen Richer, Executive Director of Tourism, regarding office space:

NOV.26'2003 16:40 2288966789

MS GULF COAST CVR

#6497 P. 092/003
Mississippi Gulf Coast
Convention & Visitors Bureau
P O Box 6128 • Gulfport, MS 39506
942 Beach Dr • Gulfport, MS 39507

HARRISON COUNTY TOURISM COMMISSION

M E M O R A N D U M

MISSISSIPPI'S
GulfCoast
GULFPORT • BILOXI

BILOXI • GULFPORT • LONG BEACH
PASS CHRISTIAN • D'IBERVILLE

Phone: 228-896-6699
Toll Free 888-4-MS-GULF
(888-467-4853)
Fax: 228-896-6789

Web Site: <http://www.gulfcoast.org>
E-Mail: exec@gulfcoast.org

"3 Top New U.S. HotSpots"
LAS VEGAS, ORLANDO
BILOXI!
1996-2001 Travel Agent National Survey
"Top Emerging U.S. Destinations"

TO: Pam Ulrich, Administrator
Harrison County

FROM: Stephen B. Richer
Harrison County Tourism Commission

DATE: November 26, 2003

SUBJECT: Office Space

Per the directive from the Harrison County Board of Supervisors, the Harrison County Tourism Commission sought out currently available (or soon to be available) more economical office space.

With a Commission deadline of November 21, 2003, we requested a "best offer" from interested entities. The information received is attached.

The Harrison County Tourism Commission instructed its attorney to finalize its current lease at the reduced rate by unanimous vote at its November 24, 2003, meeting.

If you have any questions, please call me at 896-6699, ext.212.

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

ORDER APPROVING PAY APPLICATIONS AS RECOMMENDED BY
DANIEL BOUDREAU, COUNTY ENGINEER, AS LISTED

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE pay applications as recommended by Daniel Boudreaux, County Engineer, as listed:

1) Payment Application No. 1 to Smallwood Builders, Inc. in the amount of \$5,940.00 for work completed to date on the Success Fire Station, payable from account #310-545-907.

2) Payment Application No. 1 to Smallwood Builders, Inc. in the amount of \$5,940.00 for work completed to date on the District 1 Fire Station, Highway 15, payable from account 310-545-907.

3) Payment Application No. 10 to W.L. Pilgrim Construction Company in the amount of \$5,402.50 for work completed to date on the Prudie Circle Sports Complex, Labor & Materials for Drainage & Utilities Improvements, payable from account #303-704-641.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

ORDER APPROVING CHANGE ORDER NO. 2 FOR BEACON CONTRACTORS IN THE AMOUNT OF \$357.00 FOR D'IBERVILLE COMMUNITY CENTER'S STORAGE ADDITION, AS RECOMMENDED BY DANIEL BOUDREAU, COUNTY ENGINEER, AND AUTHORIZING BOARD PRESIDENT TO EXECUTE THE SAME

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE and does HEREBY AUTHORIZE the Board president to execute the following Change Order No. 2 for Beacon Contractors in the amount of \$357.00 for D'Iberville Community Center's Storage Addition, as recommended by Daniel Boudreaux, County Engineer:

CHANGE ORDER

No. 2

Dated December 8, 2003

Owner's Project No. N/A Engineer's Project No. N/A

Project D'Iberville Community Center's Storage Addition

Owner Harrison County Board of Supervisor

Contractor Beacon Contractors Contract Date May 13, 2003

Contract For D'Iberville Community Center's Storage Addition

To: Beacon Contractor Contractor

You are directed to make the changes noted below in the subject contract:

Owner Harrison County Board of Supervisor

By Marlin Ladner, President

Date December 8, 2003

Nature of the Change:

Eliminate previous change order to relocate 1" water line from under building site - \$ 100.00
 Replace (2") PVC water lines under building site and verify sewer line is schedule 40. (This will prevent damage to parking lot.) Omit HVAC work from project - \$357.00

Enclosures:

Contractors breakdown of cost

The changes result in the following adjustment of Contract Price and Contract Time.

Contract Price Prior to This Change Order \$ 46,715.00

Net (Increase) (Decrease) Resulting from this Change Order \$ 357.00

Current Contract Price Including This Change Order \$ 46,072.00

NSPE 1910-S-B (1976 Edition)

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MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Contract Time Prior to This Change Order _____ 180 _____ Calendar Days.
Net (Increase) (Decrease) Resulting From This Change Order _____ 0 _____ Calendar Days.
Current Contract Time Including This Change Order _____ 0 _____ Calendar Days.

The Above Changes Are Approved: _____
Harrison County Engineering Department
ENGINEER
By _____
Daniel R. Boudreaux, P.E.
Date _____
December 8, 2003

The Above Changes Are Accepted: _____
Beacon Contractor's
CONTRACTOR
By _____
Date _____

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

ORDER APPROVING PAYMENT OF THE FOLLOWING CLAIMS

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE payment of the following claims:

1) D.N.P. for payment number three and final payment in the amount of \$11,833.25 payable from 109-151-922 for work on the fire alarm systems at the Biloxi and Gulfport Courthouses, as recommended by Keleal Hassin, Architect.

2) Guild Hardy Architects in the amount of \$1,257.03 payable from 002-100-581 for professional services on the Scoring Tower Complex.

3) George Hopkins in the amount of \$82,433.40 payable from 022-100-581 for work on the Jack and Florence GoldIn Recreational Complex, as recommended by Taylor Guild, Architect.

4) Guild Hardy Architects in the amount of \$2,589.31, payable from 027-265-902 for professional services on the storm proofing project at the Harrison County Courthouse.

5) J.H. Haynes Electric for payment No. 7 in the amount of \$29,687.50, payable from 002-100-902 for work on the lighting project at the Jack & Florence Goldin Recreational Facility, as recommended by Guild Hardy Architects.

6) Shaw Design in the amount of \$5,680.00, payable from 109-151-902 for professional services on Justice Court/Records Storage Building Project.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

- | | |
|---|----------------------|
| Supervisor BOBBY ELEUTERIUS voted | AYE |
| Supervisor LARRY BENEFIELD voted | AYE |
| Supervisor MARLIN R. LADNER voted | AYE |
| Supervisor WILLIAM W. MARTIN voted | (ABSENT AND EXCUSED) |
| Supervisor CONNIE M. ROCKCO voted | AYE |

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER APPROVING PAYMENT APPLICATION NO. 5, UPON
RECEIPT OF FUNDS, IN THE AMOUNT OF \$227,032.00 TO TCB
CONSTRUCTION COMPANY, INC., PAYABLE FROM 306-257-904
FOR PEDESTRIAN PATHWAY - PHASE II, AS RECOMMENDED BY
BROWN AND MITCHELL**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE Payment Application No. 5, upon receipt of funds, in the amount of \$227,032.00 to TCB Construction Company, Inc., payable from 306-257-904 for Pedestrian Pathway - Phase II, as recommended by Brown and Mitchell.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER ACKNOWLEDGING RECEIPT OF CREDIT INVOICE FOR
ARCHITECTURAL SERVICES FROM GUILD HARDY ARCHITECTS IN
THE AMOUNT OF -\$572.83 FOR THE LIGHTING PROJECT AT THE
JACK AND FLORENCE GOLDIN RECREATIONAL FACILITY**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY ACKNOWLEDGE receipt of credit invoice for architectural services from Guild Hardy Architects in the amount of -\$572.83 for the Lighting Project at the Jack and Florence Goldin Recreational Facility.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING PERMISSION FOR CENTER POINT ENERGY TO
TAP INTO GAS LINE FOR COAST COMMUNITY BANK**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE permission for Center Point Energy to tap into gas line for Coast Community Bank; and the Board does HEREBY AUTHORIZE the Board president to execute the following right-of-way and easement deed:

CENTERPOINT ENERGY ENTEX
A Division of CenterPoint Energy Resources Corp.,
A Delaware Corporation

**RIGHT OF WAY AND EASEMENT DEED
FOR DISTRIBUTION SYSTEM**

THE STATE OF MISSISSIPPI

KNOW ALL MEN BY THESE PRESENTS.

COUNTY OF HARRISON

THAT FOR AND IN CONSIDERATION OF One and No/100 Dollars (\$1.00) and other good and valuable consideration paid to the undersigned (herein called "Grantor", whether one or more), the receipt and sufficiency of which is hereby acknowledged and confessed, Grantor does hereby GRANT, SELL and CONVEY unto CENTERPOINT ENERGY ENTEX, a division of CenterPoint Energy Resources Corp., a Delaware Corporation, (herein called "Grantee"), its successors and assigns, an unobstructed right of way and easement to construct, lay, instal, maintain, operate, inspect, repair, alter, replace, change the size of, remove and relocate a gas service line (whether one or more) and appurtenances thereto under, across, upon, along and through the following-described property, situated in Section 4, Township 7 South, Range 11 West, First Judicial District, Harrison County, Mississippi, to wit:

An easement 10 feet in width, lying 5.0 feet either side of the centerline of an existing gas service line and a proposed new service line to be installed over a land tract currently owned by the Harrison County Board of Supervisors being described in the deed records of the Harrison County Chancery Clerk's office in D.B. 809, P. 230. Said easement being located east of U.S. Highway 49 and south of St. Charles Street in Gulfport.

Begin at the intersection of an existing CenterPoint Energy Entex gas service line currently serving the Orange Grove Library and the South right-of-way line of St. Charles Street, said point lying approximately 90 feet west of the centerline of Mobile Avenue, for the Point of Beginning of the hereinafter described easement centerline; thence run southerly along the centerline of said existing gas line serving Orange Grove Library for a distance of 204 feet, more or less, to a point, thence run westerly along the centerline of a new service line as installed for a distance of 10 feet, more or less, to Grantor's West property line and the Terminus of this easement. The location of said gas pipe/easement's location is approximately shown on Exhibit "A" that is attached hereto and made a part hereof.

This 10 foot wide easement will allow gas service to Coast Community Bank.

Grantee shall have the right to use the surface of said right-of-way and easement to the extent necessary for full enjoyment of the rights herein granted.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Grantor hereby covenants and agrees that it shall not have the right to place, build or construct any buildings, structures, or obstructions of any kind, over, under, or upon the above-described right of way and easement nor to change the grade over said right of way and easement; provided, however, that paved roadways, ditches, fences, storm sewer and sanitary sewer drains, pipelines, water lines, telephone, telegraph, and power lines may be constructed across or along said right of way and easement.

TO HAVE AND TO HOLD unto said Grantee, its successors and assigns, until released by recordable instrument executed by Grantee, with ingress to and egress from the premises, for the purpose of constructing, inspecting, repairing, maintaining, and replacing the property of Grantee above described and removal of such at will, in whole or in part.

This agreement is binding upon the heirs, representatives, successors and assigns of the parties hereto.

EXECUTED this the _____ day of _____, 2003.

WITNESSES:

GRANTOR

HARRISON COUNTY BOARD OF SUPERVISORS

By: _____

Title: _____

THE STATE OF _____

COUNTY OF _____

Personally appeared before me, the undersigned authority in and for the said county and state, on this _____ day of _____, 2003, within my jurisdiction, the within named _____, who acknowledged that he/she is _____ of the HARRISON COUNTY BOARD OF SUPERVISORS, and that for and on behalf of the said corporation, and as its act and deed he/she executed the above and foregoing instrument, after first having been duly authorized by said Board so to do.

Notary Public, _____ County, _____

My commission expires:

(SEAL)

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Grantor's Name and Address:

Harrison County Board of Supervisors
 12031 Mobile Avenue
 Gulfport, Mississippi 39501
 Phone: () _____

Grantee's Name and Address:

CenterPoint Energy Entex
 2019 E. Pass Road
 Gulfport, MS 39502
 Phone: (228) 896-7500

Indexing Instructions

The property described in this instrument is located in Block 17 in the First Judicial District of the following listed Section, Township, Range, and County in the State of Mississippi:

Section	Township	Range	County
4	7 S	11 W	Harrison

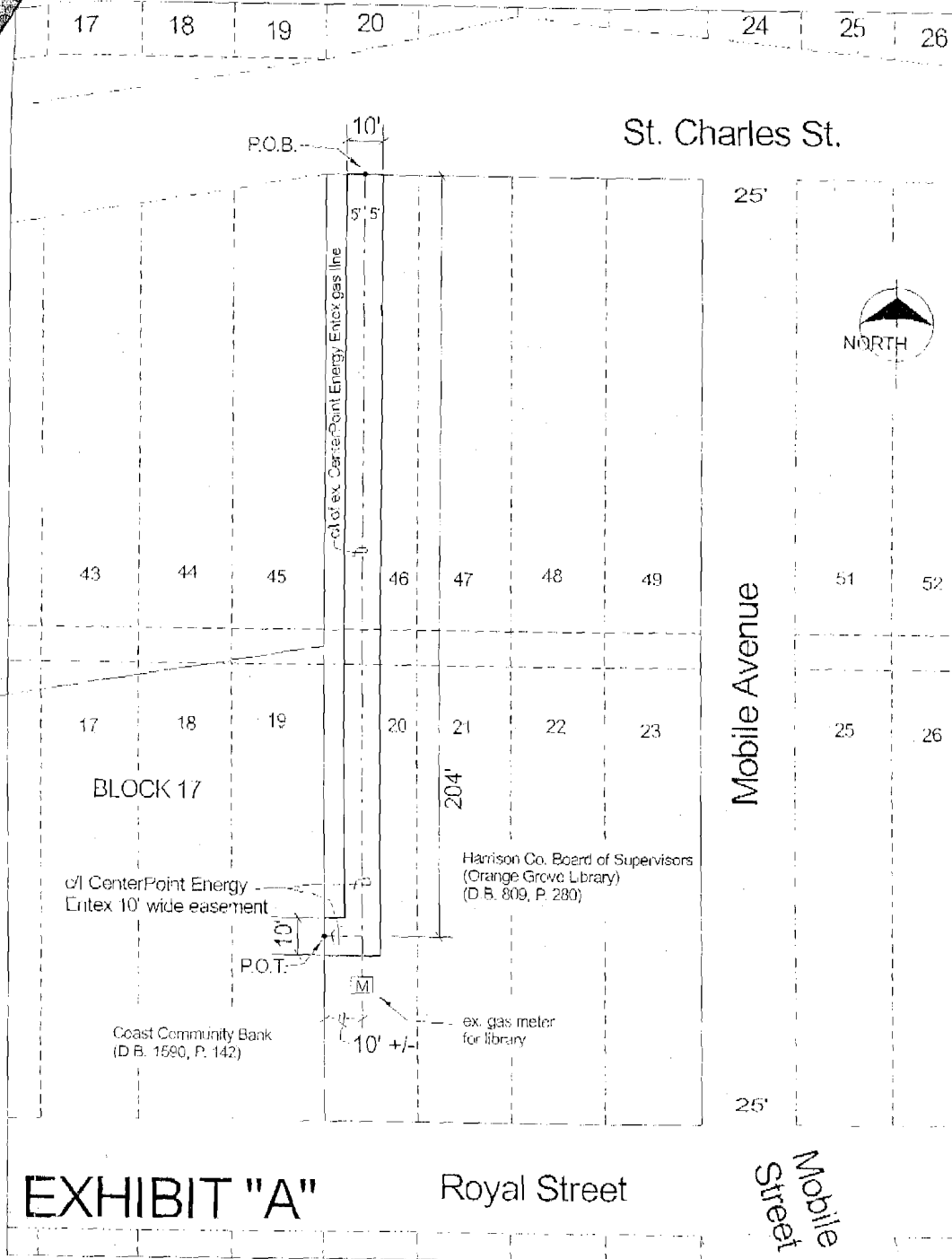
Prepared by:

CenterPoint Energy Entex
 216 Woodgate Drive South
 Brandon, MS 39042
 Phone: (601) 824-8040

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

25/2003 TUE 11:06 FAX GULFPORT ADMIN

006/006



MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING PURCHASE OF DESKTOP COMPUTER FROM
LOW QUOTE FROM T&T DATA SERVICES AT A COST OF \$1,285.00,
AS REQUESTED BY COUNTY COURT JUDGE GASTON HEWES, JR.,
PAYABLE FROM 001-175-909, AND AUTHORIZING BUDGET
AMENDMENT**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE purchase of desktop computer from low quote from T&T Data Services at a cost of \$1,285.00, as requested by County Court Judge Gaston Hewes, Jr., payable from 001-175-909; and the Board does HEREBY AUTHORIZE budget amendment for said purchase.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER ACCEPTING RESIGNATION OF JOHN FOUNTAIN,
CONSTABLE - DISTRICT 1, EFFECTIVE 12/31/03**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does *HEREBY ACCEPT* resignation of John Fountain, Constable - District 1, effective 12/31/03.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER APPROVING APPROPRIATION IN THE AMOUNT OF
\$4,000.00 TO THE NORTH BAY CHAMBER OF COMMERCE,
PAYABLE FROM 002-100-701**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE appropriation in the amount of \$4,000.00 to the North Bay Chamber of Commerce, payable from 002-100-701.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The motion having received the affirmative vote from the majority of the supervisors present, the president declared the motion carried and the order adopted.

THIS the 8th day of December.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

**ORDER APPROVING PAYMENT TO JIMMY KNIGHT IN THE AMOUNT
OF \$2,400.00 FOR MASONRY WORK AT PLAYGROUND OF HOPE,
PAYABLE FROM 112-164-922**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE payment to Jimmy Knight in the amount of \$2,400.00 for masonry work at Playground of Hope, payable from 112-164-922.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor BOBBY ELEUTERIUS moved the adoption of the following Order:

AN ORDER ACKNOWLEDGING APPROVAL FROM THE
UNITED STATES DEPARTMENT OF JUSTICE OF THE
MOVE OF GULFPORT 5(A) VOTING PRECINCT FROM
ITS PRESENT LOCATION AT PASS ROAD TO THE
GULFPORT LITTLE THEATER BUILDING AT 2600 13TH
AVENUE, IN THE CITY OF GULFPORT, AND FOR
RELATED PURPOSES.

WHEREAS, the Harrison County Board of Supervisors has heretofore enacted an Ordinance changing Voting Precinct Gulfport 5(A) from its present location at Pass Road to the Gulfport Little Theater Building at 2600 13th Avenue, in the City of Gulfport; and

WHEREAS, on the 25th day of November, 2003, the Justice Department advised Harrison County that it had no objection to this move. A copy of said letter is attached as Exhibit A.

NOW THEREFORE, BE IT ORDERED,

SECTION I: The Board does hereby acknowledge receipt from the United States Department of Justice, dated the 25th day of November, 2003, advising it had no objection to the County moving Voting Precinct Gulfport 5(A) from its present location at Pass Road Central Elementary School at 1043 Pass Road, Gulfport, to the Gulfport Little Theater Building at 2600 13th Avenue, Gulfport, Mississippi.

SECTION II: That the letter from the Justice Department dated November 25, 2003, shall be spread upon the official minutes of the Board.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor LARRY BENEFIELD seconded the Motion to adopt the above and foregoing Resolution whereupon the President put the question to a vote with the following results:

Supervisor BOBBY ELEUTERIUS	voted, <u>AYE</u> ,
Supervisor MARLIN LADNER	voted, <u>AYE</u> ,
Supervisor LARRY BENEFIELD	voted, <u>AYE</u> ,
Supervisor CONNIE ROCKCO	voted, <u>AYE</u> ,
Supervisor WILLIAM MARTIN	voted, <u>(ABSENT & EXCUSED)</u>

The majority of the members present having voted in the affirmative, the President then declared the Motion carried and the Order adopted on this the 8th day of December 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM



U.S. Department of Justice

Civil Rights Division

JDR:JR:RJD:par
DJ 166-012-3
2003-3673

Young Section - NWB
950 Pennsylvania Avenue, N.W., Room 7254
Washington, DC 20530

November 25, 2003

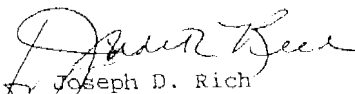
Joseph R. Meadows, Esq.
Meadows Riley Law Firm
P.O. Drawer 550
Gulfport, Mississippi 39502

Dear Mr. Meadows:

This refers to the polling place change for Harrison County, Mississippi, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act, 42 U.S.C. 1973c. We received your submission on October 3, 2003.

The Attorney General does not interpose any objection to the specified change. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the change. See the Procedures for the Administration of Section 5 (28 C.F.R. 51.41).

Sincerely,


Joseph D. Rich
Chief, Voting Section

EXHIBIT

 A

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

**ORDER APPROVING PAYMENT TO BRIAN NECAISE IN THE AMOUNT
OF \$2,800.00 FOR ELECTRICAL WORK AT PLAYGROUND OF HOPE,
PAYABLE FROM 112-164-922**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE payment to Brian Necaise in the amount of \$2,800.00 for electrical work at Playground of Hope, payable from 112-164-922.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING THE USE OF WEST WORTHAM FIRE STATION
AS A CENTRAL LOCATION FOR HOUSING EMT'S FOR AMERICAN
MEDICAL RESPONSE**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE the use of West Wortham Fire Station as a central location for housing EMT's for American Medical Response.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

- | | |
|------------------------------------|----------------------|
| Supervisor BOBBY ELEUTERIUS voted | AYE |
| Supervisor LARRY BENEFIELD voted | AYE |
| Supervisor MARLIN R. LADNER voted | AYE |
| Supervisor WILLIAM W. MARTIN voted | (ABSENT AND EXCUSED) |
| Supervisor CONNIE M. ROCKCO voted | AYE |

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER EXTENDING THE MEDICAL CONTRACT WITH NAPHCARE
FOR HARRISON COUNTY ADULT DETENTION CENTER, ON A
MONTH TO MONTH BASIS UNTIL NEW PROPOSALS ARE REVIEWED**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY EXTEND the medical contract with Naphcare for Harrison County Adult Detention Center, on a month to month basis until new proposals are reviewed.

Supervisor **BOBBY ELEUTERIUS** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER GRANTING TAX ASSESSOR EMPLOYEE ACCESS TO THE AS
400 SYSTEM AT HOME**

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	NAY
Supervisor LARRY BENEFIELD voted	NAY
Supervisor MARLIN R. LADNER voted	NAY
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	NAY

The Motion having received a negative vote from the majority of the Supervisors present, the President then declared the motion failed.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Supervisor **CONNIE M. ROCKCO** moved adoption of the following:

**ORDER APPROVING USE OF TRADITIONS US FORESTRY PROPERTY
AS A BUFFER ZONE, SUBJECT TO RECEIPT OF PROPER
DOCUMENTATION, AS RECOMMENDED BY GAYLE THRASH, GULF
COAST LIAISON FOR THE US FOREST SOUTHERN DISTRICT**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE use of Traditions US Forestry property as a buffer zone, subject to receipt of proper documentation, as recommended by Gayle Thrash, Gulf Coast Liaison for the US Forest Southern District.

Supervisor **LARRY BENEFIELD** seconded the motion to adopt the above and foregoing order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	ABSTAINED
Supervisor WILLIAM W. MARTIN voted	(ABSENT & EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The motion having received the affirmative vote from the majority of the supervisors present, the president declared the motion carried and the order adopted.

THIS, the 8th day of December 2003.

* * *

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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The Board of Supervisors of Harrison County, Mississippi (the "County"), took up the matter of approving the sale by the Mississippi Development Bank (the "Bank") of its Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), in the principal amount not to exceed Fifteen Million Dollars (\$15,000,000), the proceeds of which will provide for the making a loan (the "Loan") to the County under the terms and provisions of a loan agreement secured by a promissory note, for the purpose of (i) providing funds for the current refunding and prepayment of the County's outstanding \$15,000,000 Harrison County, Mississippi, Promissory Note, dated December 18, 2000 (the "Refunding Project"), (ii) funding a debt service reserve fund for the Bonds, and (iii) paying the costs of issuance of the Bonds and the Note, as hereinafter defined (together, the "Project"). After a discussion of the subject, Supervisor LARRY BENEFIELD offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING THE SALE BY THE MISSISSIPPI DEVELOPMENT BANK (THE "BANK") OF ITS SPECIAL OBLIGATION BONDS, SERIES 2003 (MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI 2003 REFUNDING PROJECT), IN THE PRINCIPAL AMOUNT NOT TO EXCEED FIFTEEN MILLION DOLLARS (\$15,000,000), TO PROVIDE FUNDS FOR A LOAN (THE "LOAN") BETWEEN HARRISON COUNTY, MISSISSIPPI (THE "COUNTY") AND THE BANK PURSUANT TO A LOAN AGREEMENT BETWEEN THE COUNTY AND THE BANK (THE "LOAN AGREEMENT") SECURED BY A PROMISSORY NOTE (MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI 2003 REFUNDING PROJECT) IN THE PRINCIPAL AMOUNT NOT TO EXCEED FIFTEEN MILLION DOLLARS (\$15,000,000) (THE "NOTE"); APPROVING THE FORM OF AND EXECUTION OF, AS APPLICABLE, THE LOAN AGREEMENT, THE NOTE, THE TRUST INDENTURE, THE PRELIMINARY OFFICIAL STATEMENT, THE OFFICIAL STATEMENT, THE BOND PURCHASE AGREEMENT, THE REMARKETING AGREEMENT, THE STANDBY BOND PURCHASE AGREEMENT, THE TAX INTERCEPT AGREEMENT AND THE ADMINISTRATION AGREEMENT; AND FOR RELATED PURPOSES.

WHEREAS, the Board of Supervisors of Harrison County, Mississippi (the "Governing Body" of the "County"), acting for and on behalf of the County, does hereby find, determine and adjudicate as follows:

1. The County is authorized under the provisions of Miss. Code Ann. § 31-25-1 et seq., as amended (the "Act"), to borrow in such amounts as it may find necessary and proper in order to provide funds for the purpose of (i) providing funds for the current refunding and prepayment of the County's outstanding \$15,000,000 Harrison County, Mississippi, Promissory Note, dated December 18, 2000 (the "Refunding Project"), (ii) funding a debt service reserve fund for the Bonds, and (iii) paying the costs of issuance of the Bonds and the Note, as hereinafter defined (together, the "Project").

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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2. It is necessary, proper and economically feasible that the County borrow money by entering into a loan (the "Loan") with the Bank secured by the Note pursuant to the Act for the purposes herein stated and under the procedures hereinafter set forth and as provided by law to provide funds for the Project.

3. It is in the best interest of the County for the Bank to issue its Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), in the principal amount not to exceed Fifteen Million Dollars (\$15,000,000) (the "Bonds") for the purpose of providing funds for the Loan from the Bank to the County to finance the Project.

4. The Governing Body desires (i) to authorize the negotiation of the sale of the Bonds by Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi, as Financial Advisor to the Bank (the "Financial Advisor"), and Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mannino, Peresich and McDermott, Biloxi, Mississippi ("Co-Bond Counsel"), acting on behalf of the Bank, to Sisung Securities Corporation, New Orleans, Louisiana (in such capacity, the "Underwriter"), (ii) to approve the form of and distribution of the preliminary official statement (the "Preliminary Official Statement") by the Underwriter for the sale of the Bonds; and (iii) to authorize the execution of the Bond Purchase Agreement (the "BPA") by the President of the Governing Body of the County for the sale of the Bonds subject to approval by the Bank and certain other conditions as hereinafter set forth.

5. The Governing Body finds it necessary to approve the form of and execution of, as applicable, the Loan Agreement (the "Loan Agreement"), to be dated the delivery date of the Bonds, between the Bank and the County, the Promissory Note (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), to be dated the delivery date of the Bonds, of the County (the "Note"), the Trust Indenture (the "Indenture"), to be dated the delivery date of the Bonds, between the Bank and Hancock Bank, Gulfport, Mississippi (the "Trustee"), the Remarketing Agreement (the "Remarketing Agreement"), to be dated the delivery date of the Bonds, by and among the County, the Bank and Sisung Securities Corporation, New Orleans, Louisiana (in such capacity, the "Remarketing Agent"), the Standby Bond Purchase Agreement (the "Standby Bond Purchase Agreement"), to be dated the delivery date of the Bonds, by and among the County, the Trustee and Bank One, National Association, Chicago, Illinois (the "Standby Bond Purchaser"), the Tax Intercept Agreement (the "Intercept Agreement"), to be dated the delivery date of the Bonds, among the Bank, the County and the Trustee, and the Administration Agreement (the "Administration Agreement"), to be dated the delivery date of the Bonds, among the Bank, the County and Holley, Grubbs, Mitcham & Phillips, as the Administrator (in such capacity, the "Administrator"), as acknowledged by the Trustee.

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

SECTION 1. The Governing Body of the County hereby approves the negotiation of the sale of the Bonds to the Underwriter by the Financial Advisor, Co-Bond Counsel and the Bank. Based on the recommendation of the Financial Advisor and Co-Bond Counsel, the President of the Governing Body is hereby authorized to execute the BPA for the sale of the Bonds to the Underwriter with such changes, insertions and omissions as may be approved by such officers, said execution being evidence of such approval provided that the following parameters are met:

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(i) the Bonds will bear interest at a variable rate not to exceed a net interest cost of 10% at its initial offering; (ii) approval of the final terms and conditions of the BPA by the President as provided in this Resolution; (iii) term of bonds not to exceed 25 years; (iv) principal amount of the Bonds not to exceed \$15,000,000; and (v) terms and provisions of the Bonds in compliance with the Act.

SECTION 2. The Loan Agreement, including the form of the Note, are hereby approved, and the President and the Clerk of the Governing Body of the County are hereby authorized and directed to execute said Loan Agreement and Note on behalf of the County. All provisions of the Loan Agreement, including the Note, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be a part of this resolution fully and to the same extent as if separately set out verbatim herein, which said Loan Agreement and Note shall be in substantially the form attached hereto as **EXHIBIT A**, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

SECTION 3. The form of the Indenture as submitted to this meeting and made a part of this resolution as though set forth in full herein shall be, and the same hereby is, approved in substantially the form as attached hereto as **EXHIBIT B** with such completions, changes, insertions and modifications as shall be approved by the President and the Clerk of the Governing Body of the County prior to execution and delivery by the Bank and the Trustee in connection with the Loan to the County of the proceeds of the Bonds.

SECTION 4. The Preliminary Official Statement and the Bond Purchase Agreement for the Bonds are hereby approved and ratified in substantially the forms attached hereto. The County hereby deems the Preliminary Official Statement to be "final" as described in Rule 15c2-12(b)(1) of the Securities and Exchange Commission. The President is hereby authorized and directed to approve the final Preliminary Official Statement and Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officer, said execution being conclusive evidence of such approval, including approval of the sale of the Bonds to the Underwriter. The President is hereby authorized and directed to approve the final Official Statement on behalf of the Governing Body with such changes from the Preliminary Official Statement as he may approve, and, the Governing Body hereby authorizes and ratifies the distribution of said Preliminary Official Statement and said final Official Statement and the use thereof by the Underwriter in connection with the sale of the Bonds. Said Preliminary Official Statement and Bond Purchase Agreement are hereinafter set forth as **EXHIBIT C** and **EXHIBIT D**, respectively.

SECTION 5. The County hereby understands and agrees that pursuant to the terms of the Remarketing Agreement, the Remarketing Agent will be responsible for remarketing of any Bonds which are tendered by the owners thereof, and that the County, as conduit obligor of the Bonds, is a party to the Remarketing Agreement and has certain obligations thereunder. The form of the Remarketing Agreement in the form submitted to this meeting as **EXHIBIT E** and made a part of this Resolution as though set forth in full herein shall be, and the same hereby is, approved in substantially said form. The President and the Clerk are hereby authorized and directed to execute and deliver the Remarketing Agreement with such changes, insertions and omissions as may be approved by such officers, said agreement and execution being conclusive

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of such approval, including the final approval of the determined Remarketing Agent. Sising Securities Corporation, New Orleans, Louisiana, is hereby approved as the initial Remarketing Agent.

SECTION 6. The form of the Standby Bond Purchase Agreement in the form submitted to the meeting and attached hereto as **EXHIBIT F** and made a part of the Resolution as though set forth and full herein shall be, and the same hereby is, approved in substantially said form. The President and Clerk are hereby authorized and directed to execute and deliver the Standby Bond Purchase Agreement with such changes, insertions and omissions as may be approved by such officers, said agreement and execution being conclusive of such approval. Bank One, National Association, Chicago, Illinois, is hereby approved as the initial Standby Bond Purchaser.

SECTION 7. There has been prepared and submitted to the County the form of the Administration Agreement, attached hereto as **EXHIBIT G**, whereby the Administrator will consult with and advise the County regarding its duties, responsibilities and covenants under the Loan Agreement and to perform certain other services as requested by the County as provided in the Administration Agreement, including compliance with the provisions of the Indenture. The President and Clerk are hereby authorized and directed to execute and deliver the Administration Agreement with such changes, insertions and omissions as may be approved by such officers, said agreement and execution being conclusive of such approval.

SECTION 8. There has been prepared and submitted to the County the form of the Intercept Agreement, attached hereto as **EXHIBIT H**, and made a part of the Resolution as though set forth and full herein shall be, and the same hereby is, approved in substantially said form. The President and Clerk are hereby authorized and directed to execute and deliver the Intercept Agreement with such changes, insertions and omissions as may be approved by such officers, said agreement and execution being conclusive of such approval.

SECTION 9. Hancock Bank, Gulfport, Mississippi, is hereby approved by the County to serve as trustee under the Indenture.

SECTION 10. The President and/or the Clerk of the Governing Body of the County, is hereby authorized and directed to sign requisitions and perform such other acts as may be necessary to authorize the Trustee to pay on the Closing Date of the Bonds the costs of issuance of said Bonds and cost of issuance for the Loan between the Bank and the County; provided, however, total costs of issuance for said Bonds and Loan shall not exceed \$900,000, which amount includes the premium for municipal bond insurance and a debt service reserve surety bond.

SECTION 11. Upon receiving the recommendation of the Financial Advisor to the Bank, Co-Bond Counsel and Counsel to the County, the President of the Governing Body is hereby authorized and directed to make all final determinations necessary to prepare the Preliminary Official Statement, BPA, Indenture, Loan Agreement, Note, Remarketing Agreement, the Standby Bond Purchase Agreement, the Intercept Agreement and the Administration Agreement, for the sale of the Bonds, including the date of sale, the dated date of the Bonds, the final principal amount of the Bonds, the maturity schedule relating to the Bonds,

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the redemption terms of the Bonds and any other terms thereof; provided, however, that all such determinations shall be made subject to approval by the Executive Director of the Bank, to be evidenced by the execution of the BPA for the sale of the Bonds by the President of the Governing Body, acting for and on behalf of the County, pursuant to this resolution and Executive Director of the Bank, acting for and on behalf of the Bank, pursuant to a resolution previously adopted by the Bank on November 19, 2003.

SECTION 12. The President and Clerk be, and they are hereby authorized and directed for and on behalf of the Governing Body, to take any and all such action as may be required by the County to carry out and to give effect to the aforesaid documents authorized pursuant to this resolution and to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this resolution in order to evidence said authority, including the approval of the final Official Statement in connection with the Bonds and for any municipal bond insurance, surety bond or other credit enhancement in connection with the Bonds.

Following the reading of the foregoing Resolution, Supervisor CONNIE ROCKCO seconded the motion for its adoption. The President put the question to a roll call vote, and the result was as follows:

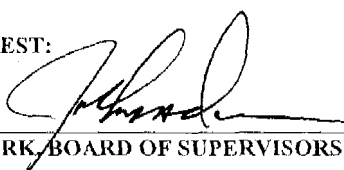
Supervisor Bobby Eleuterius	voted: <u>AYE</u>
Supervisor Larry Benfield	voted: <u>AYE</u>
Supervisor Marlin Ladner	voted: <u>AYE</u>
Supervisor William Martin	voted: <u>(ABSENT & EXCUSED)</u>
Supervisor Connie Rockco	voted: <u>AYE</u>

The motion having received the affirmative vote of a majority of the members present, the President declared the motion carried and the resolution adopted this the 8th day of December, 2003.



 PRESIDENT, BOARD OF SUPERVISORS

ATTEST:



 CLERK, BOARD OF SUPERVISORS

(SEAL)

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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EXHIBIT A

FORM OF LOAN AGREEMENT AND NOTE

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

LOAN AGREEMENT

By and Between

MISSISSIPPI DEVELOPMENT BANK

AND

HARRISON COUNTY, MISSISSIPPI

DATED: December 23, 2003

Secured by:

\$ _____
PROMISSORY NOTE
(MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI
2003 REFUNDING PROJECT),
DATED DECEMBER 23, 2003

The interest of the Mississippi Development Bank in this Loan Agreement, except for certain rights retained by the Issuer pursuant to Section 4.6 hereof, has been assigned to Hancock Bank, as Indenture Trustee, in Gulfport, Mississippi

This instrument was drafted by:
BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC
Attorneys At Law
17th Floor, AmSouth Plaza
210 East Capitol Street
Jackson, Mississippi 39201

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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EXHIBIT A - DEFINITIONS FROM INDENTURE
EXHIBIT B - FORM OF NOTE

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THIS LOAN AGREEMENT, dated December 23, 2003 (the "Loan Agreement"), is by and between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic of the State of Mississippi (the "State"), exercising essential public functions (the "Bank" or "Issuer") and organized under the provisions of Mississippi Code of 1972, Sections 31-25-1 *et seq.*, as from time to time amended (the "Act"), and **HARRISON COUNTY, MISSISSIPPI**, a political subdivision organized and validly existing under the Constitution and laws of the State of Mississippi (the "County").

RECITALS:

A. The Issuer is authorized by the provisions of the Act, to, among other things, loan money to local governmental units for any purposes set forth under the Act and to finance such assistance to such local governmental units by the issuance of revenue bonds.

B. The Issuer is further authorized to issue revenue bonds for the purpose of providing funds to pay all or a part of the cost of providing the aforementioned loans to local governmental units; and to pledge or assign any money, rents, charges, fees or other revenues and any proceeds derived from the loans with such local governmental units.

C. The Issuer has duly authorized a project under the Act and the financing of the Project (as hereinafter defined).

D. The Issuer has duly authorized the issuance, as provided in the Indenture (as hereinafter defined), of its Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project) (the "Bonds"), pursuant to the Act in the maximum aggregate principal amount of \$_____ in order to loan the proceeds thereof to the County to provide for the financing of the County's Refunding Project pursuant to this Loan Agreement secured by a promissory note whereby the amount of payments to be made to the Issuer by the County under the promissory note shall be sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same shall become due and payable.

E. The Bonds are to be issued pursuant to and secured by a trust indenture (the "Indenture") dated even date herewith, by and between the Issuer and the Indenture Trustee (as hereinafter defined).

F. The Issuer shall loan the proceeds of the Bonds to the County pursuant to the terms and provisions of this Loan Agreement authorized, executed and delivered by the County.

G. To further secure the payment of the Bonds pursuant to this Loan Agreement, the County has authorized, executed and delivered a promissory note, which promissory note and this Loan Agreement (except certain rights retained by the Issuer) the Issuer has assigned or will assign to the Indenture Trustee under the Indenture.

H. To further secure the payment of the Bonds, the County will provide for the payment of debt service on the Bonds from any lawfully available revenues of the County, as hereinafter defined.

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NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS LOAN AGREEMENT WITNESSETH:

That the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:

ARTICLE I.
DEFINITIONS, EXHIBITS AND MISCELLANEOUS

Section 1.1 Definitions. The terms used herein, unless the context hereof shall require otherwise, shall have the following meanings, and any other terms defined in Section 1.1 of the Indenture (as set forth in **EXHIBIT A** hereof and incorporated herein by reference) shall have the same meanings when used herein as assigned them in the Indenture, unless the context or use thereof indicates another or different meaning or intent.

Act: Sections 31-25-1 *et seq.*, of the Mississippi Code of 1972, as amended and supplemented.

Additional Charges: the payments required by Section 4.4 of this Loan Agreement.

Administrative Expenses: the reasonable and necessary fees, costs or expenses incurred or payable by the County to the Issuer pursuant to this Loan Agreement or the Indenture, including, compensation and expenses paid to or incurred by the Administrator, the Indenture Trustee or any paying agent under this Loan Agreement, the Indenture or the Administration Agreement, as applicable.

Annual Budget: the budget or amended budget in effect as provided in or adopted pursuant to Section 6.6 hereof.

Authorized County Representative: any person or persons at the time designated to act on behalf of the County by a written certificate, signed on behalf of the County by the President of the Board of Supervisors of the County or other duly authorized Person and its Chancery Clerk or other authorized Person and furnished to the Issuer and the Indenture Trustee, containing the specimen signature of each such person.

Bank: the Mississippi Development Bank, a public body corporate and politic of the State of Mississippi, exercising essential public functions and organized under the provisions of the Act.

Basic Payments or Note Payments: the payments required by Section 4.2 of this Loan Agreement.

Bond or Bonds: the \$_____ Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project) issued pursuant to the Indenture.

Bond Closing: the date on which there is delivery by the Issuer of, and payment for, the Bonds.

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Bond Documents: the Indenture, the Loan Agreement, the Note, the Financial Guaranty Insurance Policy, the Reserve Fund Credit Facility, the Guaranty, the Standby Purchase Agreement, the Remarketing Agreement, the Bond Purchase Agreement, the Tax Intercept Agreement, the Administration Agreement and all other agreements, instruments, documents, notices of assignment, schedules, assignments, pledges, powers of attorney, leases, trust account agreements, certificates, consents, contracts, notices, and all other written matter and all amendments, modifications, supplements, extensions and restatements thereof and thereto, and all agreements, notes, documents or instruments delivered in substitution therefor, or in lieu thereof, whether heretofore, now, or hereafter executed by or on behalf of the County, or any other person which are delivered to the Indenture Trustee, Issuer or any participant with respect to the transactions contemplated in the Indenture.

Bond Insurer: means the issuer of the Financial Guaranty Insurance Policy, which shall initially be Ambac Assurance Corporation.

Bond Register: the registration records of the Bank kept by the Indenture Trustee to evidence the registration and transfer of the Bonds.

Bondholder or Holder: the Person in whose name a Bond is registered in the Bond Register.

Certificate: as the case may be, either (i) a signed document attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or (ii) a signed document setting forth matters to be determined by an Authorized County Representative pursuant to this Loan Agreement.

Co-Bond Counsel: the together the firms of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mannino, Peresich and McDermott, Biloxi, Mississippi, or their respective successors, or any other firm of nationally recognized bond counsel experienced in tax exempt bond financing selected by the County and acceptable to the Issuer and the Indenture Trustee.

Code or Internal Revenue Code: the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations promulgated thereunder.

Costs of the Project: to the extent permitted by the Act and the Code and as applicable, whether incurred prior to or after the date of this Loan Agreement, (a) funds sufficient to effectuate the payment of the amount necessary to provide for the Refunding Project, (b) all Administrative Expenses, and (c) any other expenses or fees of the County, the Bank or the Indenture Trustee, which in the opinion of the County, the Issuer, or the Indenture Trustee respectively, are related to the Project or the Bonds, including but not limited to, commitment and legal fees and the costs, fees and expenses of the Purchaser in connection with the initial sale and issuance of the Bonds.

County: Harrison County, Mississippi.

Date of this Loan Agreement: December 23, 2003.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Debt Service Payment: the aggregate of the interest and principal payable on the Note and any Parity Indebtedness for the specific period designated under this Loan Agreement.

Debt Service Reserve Fund: the fund by that name created by Section 4.1 of the Indenture.

Debt Service Reserve Requirement: means the lesser of the following: (i) the maximum amount of principal and interest becoming due in the current year or any future bond year (meaning each one year beginning on December 2 and ending on December 1 the following year) on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; and (iii) 10% of the stated principal amount of the Bonds, which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility.

Depository: any bank, trust company or national banking association selected by the County and approved by the Indenture Trustee as a depository of moneys and securities held under the provisions of this Loan Agreement, and its successor or assign or successors or assigns.

Discharge Date: the date on which all Outstanding Bonds are discharged under Article XII of the Indenture.

Event of Default: any of the events set forth in Section 9.1 hereof.

Fiduciary or Fiduciaries: the Indenture Trustee, the paying agent, the Depository or any or all of them, as may be appropriate.

Financial Guaranty Insurance Policy: the financial guaranty insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds.

Fiscal Year: when used with respect to the County, a period beginning on October 1 in any year and ending on September 30 of the following year or such other twelve month period as may be adopted by the County in accordance with law.

Fund: any fund described in Article IV of the Indenture.

Guaranty: a Guaranty Agreement by and between the Bank and Ambac Assurance Corporation, the initial Reserve Fund Credit Facility Issuer, dated December 23, 2003, under which the Bank agrees to reimburse Ambac Assurance Corporation for all draws under the Surety Bond.

Holder or Bondholder: the person in whose name a Bond is registered in the Bond Register.

Independent Accountant: the Audit Department of the State of Mississippi or a certified public accountant or firm of certified public accountants registered and qualified to practice as such under the laws of the State of Mississippi and reasonably acceptable to the Indenture Trustee, and not regularly employed by the Issuer or the County, except to perform independent audits of the books and records of either or both of them or other similar periodic reviews.

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Indenture: the Trust Indenture dated December 23, 2003, by and between the Issuer and Indenture Trustee, as the same may from time to time be amended or supplemented as therein provided.

Indenture Trustee: Hancock Bank, Gulfport, Mississippi, or any successor trustee appointed, qualified and then acting as such under the provisions of the Indenture.

Interest Payment Date: shall mean those dates as set forth in the Indenture.

Internal Revenue Code or Code: the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations.

Issuance Expenses: any and all costs and expenses relating to the issuance, sale and delivery of the Bonds, and the execution and delivery of this Loan Agreement, the Indenture and the Note, including, but not limited to, all fees and expenses of legal counsel, financial consultants, feasibility consultants and accountants, rating agency fees, the initial fees and expenses of the Indenture Trustee and the Administrator, any fee to be paid to the Issuer, the preparation and printing of this Loan Agreement, the Note, the Indenture, the Tax Intercept Agreement, the Bond Purchase Agreement, any preliminary official statement and final official statement, the Bonds and all other related closing documents, and all other expenses relating to the issuance, sale and delivery of the Bonds required to be paid from the proceeds of the Bonds and any other costs which are treated as "issuance costs" within the meaning of Section 147(g) of the Code.

Issuer: the Bank.

Loan: the loan of Net Proceeds by the Issuer to the County described in Section 4.1 of this Loan Agreement.

Loan Agreement: this Loan Agreement by and between the Issuer and the County, as the same may from time to time be amended or supplemented as provided herein and in the Indenture.

Loan Proceeds: the Net Proceeds of the sale of the Bonds and investment earnings thereon held by the Indenture Trustee.

Net Bond Proceeds: proceeds from the sale of the Bonds at the public offering price including accrued interest from the dated date of the Bonds to the date of delivery thereof, including interest earnings thereon.

Net Proceeds: Net Bond Proceeds, including any interest earnings thereon, less (i) accrued interest, (ii) such Net Bond Proceeds used to pay or reimburse for the payment of Issuance Expenses and any other neutral costs and (iii) funds used to fund the Debt Service Reserve Fund.

Note: that certain Promissory Note (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project) dated even date herewith delivered by the County payable to the order of the Issuer in the original principal amount of \$ _____ in the form of **EXHIBIT B**, attached hereto.

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Note Year: the period from Closing Date through December 1, 2004, and thereafter each twelve (12) month period from each December 2 to and including December 1 of the following year.

Outstanding or outstanding: when used with reference to Bonds, means all Bonds which have been authenticated and issued under the Indenture except:

- (a) Bonds canceled by the Trustee pursuant to the Indenture;
- (b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of the Indenture;
- (c) Bonds which have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in the Indenture;
- (d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in the Indenture; and
- (e) for all purposes regarding consents and approvals or directions of Bondholders under the Indenture, Bonds held by or for the Bank, the County or any person controlling, controlled by or under common control with either of them.

Any Bonds the principal of or interest on which have been paid by the Bond Insurer shall specifically remain Outstanding under the Indenture.

Parity Indebtedness: indebtedness of the County, the payments of which are secured by a lien on lawfully available revenues on a parity with the lien securing the Note, but excluding the Note.

Persons: an individual, a corporation, an association, a joint stock company, a business trust, a partnership, a joint venture, an unincorporated organization, or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

Project: providing funds for (i) the Refunding Project, (ii) the Debt Service Reserve Fund for the Bonds, and (iii) funds for costs of issuance for the Bonds and the Note.

Purchaser: Sisung Securities Corporation, New Orleans, Louisiana, as the purchaser of the Bonds.

Redemption Date: when used with respect to any Bond to be redeemed shall mean the date on which it is to be redeemed pursuant to the Indenture.

Redemption Price: when used with respect to any Bond to be redeemed shall mean the price at which it is to be redeemed pursuant to the Indenture.

Refunding Project: providing funds to provide for the current refunding of the 2002 Note as set out in the Indenture.

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Reserve Fund Credit Facility: an irrevocable and unconditional letter of credit, insurance policy or surety bond, including the Surety Bond, the terms of which have been approved by the County, the Bank and Ambac Assurance Corporation issued by a bank or other financial institution, which is acceptable to the County, the Bank and Ambac Assurance Corporation having a long-term credit rating of "A" or better, as determined by Standard & Poor's Ratings Group which credit facility names the Indenture Trustee as the beneficiary thereunder; provided, that any such credit facility must (a) be renewable or extendable on an annual basis; (b) have an initial term of not less than three (3) years; (c) provide that the bank or other financial institution providing such credit facility must notify the Indenture Trustee and the County, no less than 30 days in advance of the expiration of the credit facility of its intention not to renew or extend such credit facility; (d) permit the Indenture Trustee to make a drawing thereunder to fund the Debt Service Reserve Fund no later than five (5) business days prior to the earlier of (1) the expiration date of such credit facility and (2) the date the proceeds of such drawing will be needed to fund the Debt Service Reserve Fund.

State: the State of Mississippi.

Surety Bond: the reserve fund surety bond issued by Ambac Assurance Corporation guaranteeing certain payments into the Debt Service Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

Tax Certificate: the County's Tax Certificate or similar document or agreement delivered by the County as of the Bond Closing regarding the federal tax status of interest on the Bonds.

Tax Intercept Agreement: that certain Tax Intercept Agreement dated December 23, 2003, by and between the Bank and the County, and accepted by the Trustee, as further described in Section 4.8 hereof.

Term of this Loan Agreement: the period of time commencing on the Date of this Loan Agreement and terminating on the final maturity date of the Bonds or upon earlier termination of this Loan Agreement under Section 8.1, whichever date occurs sooner.

Treasury Regulations: all proposed, temporary or permanent federal income tax regulations then in effect and applicable.

2000 Indenture Trustee: Hancock Bank, as Trustee under that certain Indenture of Trust dated as of May 1, 1999 by and between the Bank and the Trustee.

2000 Loan Agreement: that certain Loan Agreement dated December 18, 2000 by and between the Bank and the County, pursuant to which the County issued the Bank the 2000 Note to secure the County's obligations thereunder; the County used the proceeds of the December 18, 2000 loan to provide funds for purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and related facilities, including the constructing and equipping of an Enhanced 911 Service building, and purchasing machinery and equipment and other capital projects.

2000 Note: the \$15,000,000 Promissory Note of the County dated December 18, 2000, issued to secure the 2000 Loan Agreement.

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Section 1.2 Exhibits. The following Exhibits are attached to and by reference made a part of this Loan Agreement:

- (1) EXHIBIT A: Definitions From Indenture; and
- (2) EXHIBIT B: Form Of Note.

Section 1.3 County's Acts. Where the County is permitted or required to do or accomplish any act or thing hereunder, the County may cause the same to be done or accomplished by a third party selected by the County with the same force and effect as if done or accomplished by the County.

Section 1.4 Rules of Interpretation.

(1) The words "herein" and "hereof" and "hereunder" and words of similar import, without reference to any particular section or subdivision, refer to this Loan Agreement as a whole rather than to any particular section or subdivision of this Loan Agreement.

(2) References in this Loan Agreement to any particular article, section or subdivision hereof are to the designated article, section or subdivision of this Loan Agreement as originally executed.

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.

(4) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Loan Agreement.

(5) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(6) Articles, sections, subsections and clauses mentioned by number only are those so numbered which are contained in this Loan Agreement.

(7) For purposes of this Loan Agreement and the Indenture, a petition in bankruptcy shall be deemed dismissed only if either (a) the petition is dismissed by order of a court of competent jurisdiction and no further appeal rights exist from such order or (b) the County notifies the Indenture Trustee that such a dismissal has occurred.

(8) Any opinion of counsel required hereunder shall be a written opinion of such counsel.

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ARTICLE II.
REPRESENTATIONS OF ISSUER AND COUNTY

Section 2.1 Representations by the Issuer. The Issuer makes the following representations as the basis for the undertakings on the part of the County herein contained:

- (1) The Issuer is a public body corporate and politic of the State, exercising essential public functions and organized under the provisions of the Act;
- (2) The Issuer has full power and authority to enter into the transactions contemplated by this Loan Agreement, the Indenture and the other Bond Documents to which it is a party and to perform its obligations hereunder and thereunder;
- (3) The Issuer is not in default under any provisions of the laws of the State material to the performance of its obligations under this Loan Agreement;
- (4) The Issuer has been duly authorized to execute and deliver this Loan Agreement, the Indenture and the assignment of the Note to the Indenture Trustee and by proper action has duly authorized the execution and delivery hereof and thereof and as to the Issuer, this Loan Agreement, the Indenture, the assignment of the Note to the Indenture Trustee and the other Bond Documents to which it is a party are valid and legally binding and enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited (a) by bankruptcy, reorganization, or similar laws limiting the enforceability of creditors' rights generally or (b) by the availability of any discretionary equitable remedies;
- (5) The loan of the Net Proceeds of the Bonds to the County for the Project, as provided by this Loan Agreement, will further the purposes of the Act, to wit: to assist local governmental units in obtaining financing and refinancing for those purposes set forth under the Act in furtherance of its governmental purpose;
- (6) Under existing statutes and decisions no taxes on income or profits are imposed on the Issuer;
- (7) There is not pending any suit, action or proceeding against the Issuer before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the Issuer, of this Loan Agreement or the Indenture, any of its obligations hereunder or thereunder or any of the transactions contemplated hereby or thereby; and
- (8) No public official of the Issuer has either a direct or indirect financial interest in this Loan Agreement nor will any public official either directly or indirectly benefit financially from this Loan Agreement.

Section 2.2 Representations and Warranties of the County.

The County represents, covenants and warrants as follows:

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(1) The County is a political subdivision of the State duly organized and validly existing under the Constitution and the laws of the State and the County is a local governmental unit within the meaning of the Act;

(2) The execution, delivery and performance by the County of this Loan Agreement and the Note and each of the other Bond Documents to which it is a party are (i) within the County's governmental powers, and (ii) have been duly authorized by all necessary actions of the governing body of the County;

(3) No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the County of this Loan Agreement, the Note and the other Bond Documents to which the County is a party;

(4) The Project comprises an authorized purpose within the meaning of the Act;

(5) [Reserved];

(6) The Net Proceeds of the Bonds, together with any other funds to be contributed to the Project by the County or otherwise in accordance with this Loan Agreement, will be sufficient to pay the Costs of the Project;

(7) The County has reviewed and approved the provisions of the Indenture;

(8) To the best of County's knowledge, no public official of the County has either a direct or indirect financial interest in this Loan Agreement nor will any public official either directly or indirectly benefit financially from this Loan Agreement;

(9) This Loan Agreement, the Note and the other Bond Documents to which the County is a party are legal, valid and binding obligations of the County, and are enforceable against the County, in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or limiting creditors' rights or equitable principles generally;

(10) There is no pending action or proceeding before any court, governmental agency or arbitrator against or directly involving the County and, to the best of the County's knowledge, there is no threatened action or proceeding affecting the County or any of its assets before any court, governmental agency or arbitrator (i) which, in any case, may materially and adversely affect the financial condition or operations of the County, (ii) which seeks to restrain or would otherwise have a material adverse effect on the transactions contemplated herein, or (iii) which would affect the validity or enforceability of this Loan Agreement, the Note or the other Bond Documents;

(11) The County is not in default in the payment or performance of any of its obligations or in the performance of any mortgage, indenture, lease, contract or other agreement, instrument or undertaking to which it is a party or by which it or any of its assets may be bound, which default would have a material and adverse effect on the governmental functions, operations, assets or condition, financial or otherwise, of the County, either individually or taken as a whole. No Event

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of Default hereunder or under the Note or any other Bond Document has occurred and is continuing. The County is not in default under any order, award or decree of any court, arbitrator, or governmental authority binding upon or affecting it or by which any of its assets may be bound or affected which default would have a material adverse effect on the governmental functions, operations, assets or condition, financial or otherwise, of the County, either individually or taken as a whole, and no such order, award or decree adversely affects the ability of the County to carry on its governmental functions as currently conducted or the ability of the County to perform its obligations under this Loan Agreement, the Note and the other Bond Documents to which it is a party;

(12) The County is not a party to any contract or agreement or subject to any restriction which materially and adversely affects its governmental functions, its property or assets, or financial condition. The County is not a party to, or otherwise subject to any provision contained in, any instrument evidencing indebtedness of the County, any agreement relating thereto or any other contract or agreement (including their charters) which restricts or otherwise limits the incurring of the indebtedness to be represented by this Loan Agreement, the Note and the other Bond Documents;

(13) The County is in compliance with all laws, orders, regulations and ordinances of all federal, foreign, state and local governmental authorities binding upon or affecting the governmental functions, operation or assets of the County, except for laws, orders, regulations and ordinances the violation of which would not, in the aggregate, have a material and adverse effect on the County's financial condition;

(14) There is no fact known to the County which materially adversely affects or in the future may (so far as the County can now foresee) materially adversely affect the property, assets or financial condition of the County which has not been set forth in this Loan Agreement, the Note or in the other Bond Documents, prior to the date hereof in connection with the transactions contemplated hereby; and

(15) The County hereby incorporates herein and makes each of the representations and warranties contained in the other Bond Documents to which it is a party, operative and applicable for the benefit of Issuer and the Indenture Trustee as if the same were set forth at length herein.

Section 2.3 Survival. The foregoing representations, covenants and warranties of the County shall be continuing and shall survive the execution and delivery of this Loan Agreement, the Note and the other Bond Documents.

ARTICLE III
APPLICATION OF LOAN PROCEEDS;
REFUNDING PROJECT

Section 3.1 Application of Loan Proceeds. Simultaneously with the delivery of the Bonds by the Indenture Trustee, Net Proceeds of the Bonds in the amount of \$_____ will be transferred and paid by the Indenture Trustee, as the assignee for the Bank under the Loan Agreement and the Note, to the 2000 Indenture Trustee as payment of the full amount due under the 2000 Note as set out in the Indenture.

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Section 3.2 Refunding Project. The Loan proceeds deposited by the Indenture Trustee, acting for and on behalf of the County, with Hancock Bank, as 2000 Indenture Trustee, will be used for the advance prepayment of the 2000 Note as set out in the Indenture. Such advance prepayment will be sufficient to effectuate the current refunding of the 2000 Note at par plus accrued interest and expenses on the date of the delivery of the Bonds in accordance with the terms and provisions of the 2000 Loan Agreement.

Section 3.3 [RESERVED]

Section 3.4 [RESERVED]

Section 3.5 [RESERVED]

Section 3.6 [RESERVED]

Section 3.7 [RESERVED]

Section 3.8 Payment of Costs by County.

The County agrees that it will provide any and all money (whether from the proceeds of the Bonds or otherwise) required for the prompt and full payment of:

(1) All legal (including Bond Counsel and counsel to the County and Indenture Trustee), financial advisor and accounting fees and expenses, administrative and rating agency fees (if any), printing and engraving costs and other expenses incurred and to be incurred with respect to (i) the authorization, sale and issuance of the Bonds, or (ii) the preparation of this Loan Agreement, the Indenture, the Note and all other documents necessary to the Bond Closing or required by this Loan Agreement or the Indenture;

(2) Premiums on all insurance; and

(3) All reasonable fees and expenses of the Indenture Trustee and paying agent under the Indenture.

Section 3.9 Issuance of Bonds. The Issuer has contracted for the sale of the Bonds authorized by the Indenture, and the County has and does approve the terms of the Indenture. Forthwith upon execution of this Loan Agreement and the Indenture, or as soon thereafter as practicable, the Issuer will execute the Bonds and cause them to be authenticated by the Indenture Trustee and delivered to the Purchaser in accordance with the Purchaser's bid for the purchase of the Bonds upon payment of the purchase price and filing with the Indenture Trustee of the opinion of Bond Counsel as to the legality of the Bonds and the furnishing of all other documents required by this Loan Agreement and the Indenture to be furnished before delivery. The Issuer will then cause the proceeds of the Bonds to be transmitted to the Indenture Trustee.

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ARTICLE IV.
THE LOAN, BASIC PAYMENTS AND ADDITIONAL CHARGES

Section 4.1 The Loan. The Issuer agrees, upon the terms and conditions herein specified, to lend to the County the Net Proceeds received by the Issuer from the sale of the Bonds, by causing such Net Proceeds to be deposited with the Indenture Trustee and the County, as applicable, for disposition as provided herein and in the Indenture. The amount of the Loan shall also be deemed to include any "discount" or any other amount by which the aggregate price at which the Issuer sells the Bonds to the Purchaser is less than the aggregate principal amount of the Bonds, plus accrued interest. The obligation of the Issuer to make the Loan shall be deemed fully discharged upon so depositing the Net Proceeds of the Bonds with the Indenture Trustee as set forth herein.

Section 4.2 Basic Payments. Subject to the provisions for prepayment set forth in Section 8.1 hereof, the County agrees to pay to the Indenture Trustee for the account of the Issuer an amount equal to interest on the Bonds, in the amounts and in the manner provided in the Indenture for the payment of interest on the Bonds, and an amount equal to the principal scheduled to become due on the Bonds, in the amounts and in the manner provided in the Indenture for the payment of principal on the Bonds, all in order that the Issuer can cause amounts to be deposited in the Interest Account and the Principal Account of the Debt Service Fund, as applicable, under the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, whether at maturity, upon prior redemption, any earlier acceleration, upon purchase or otherwise; provided, however, that the obligation of the County to make any such payment hereunder shall be reduced by (i) accrued interest derived from the sale of the Bonds, (ii) surplus moneys (including investment earnings) contained in the funds and accounts held by the Trustee under the Indenture; (iii) advance payments or prepayments of Basic Payments; and (iv) the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Issuer thereunder.

Basic Payments under this Loan Agreement include the obligation of the County to provide for the payment of any Swap Payments and/or Termination Payments the Bank may be obligated to pay under any Swap Agreement delivered in connection with the Bonds. The County shall pay any Swap Payments and/or Termination Payments when due to the Indenture Trustee for deposit as provided in the Indenture.

The County shall remit to the Indenture Trustee for deposit into the Interest Account and the Principal Account of the Debt Service Fund under the Indenture (i) all amounts due under the Note and required for the payment of the principal of and the interest due on the Outstanding Bonds on or prior to any Interest Payment Date, and (ii) the amounts required for the payment of the purchase or Redemption Price including accrued interest on Outstanding Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by the Indenture Trustee to such payments.

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Whenever the County shall fail to pay the full amount of any installment of Basic Payments payable as set forth above by the date on which such installment is due, the Trustee shall give immediate telephonic notice thereof, promptly confirmed in writing, to an Authorized County Representative and the County shall immediately make payment to the Indenture Trustee in an amount that, together with any amounts already paid by the County and received by the Indenture Trustee, will equal the full amount of the installment of Basic Payments then payable.

Section 4.3 Pledge of Revenues of the County. The Note will be an obligation of the County payable solely from the moneys, rights and interests pledged under this Loan Agreement as set forth in the immediately succeeding paragraph. **The Note will never constitute a general obligation of the County or, within the meaning of any constitutional or statutory limitation, a debt, liability, or obligation of the State or any political subdivision of the State other than the County, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof is pledged to the payment of such principal, premium, if any, and interest except as set forth herein. The County has not pledged the levy of any taxes for the repayment of the Note.** The Note initially issued under this Loan Agreement shall be issued for the purposes of providing funds to finance Costs of the Refunding Project, fund a Debt Service Reserve Fund for the Bonds and to pay related costs of issuance for the Bonds and the Note.

Pursuant to the terms of this Loan Agreement, the principal of and interest on the Note and other amounts due under this Loan Agreement are to be paid from lawfully available revenues of the County. The County has covenanted in this Loan Agreement to take such action as may be necessary to include all the Basic Payments and amounts due under this Loan Agreement in its annual budget, including principal and/or interest (assumed at the Maximum Rate for budget purposes). In addition, the Act and the Loan Agreement provide for the intercept of local taxes within the County from the Mississippi State Tax Commission if the County is deficient in its payments.

The obligation of the County to make Basic Payments and pay amounts due under this Loan Agreement constitutes a binding obligation of the County in accordance with the terms of the Note and this Loan Agreement, respectively. The County's Board of Supervisors (the "Governing Body"), in its sole discretion, may make said payments with any legally available revenues. Except as stated in the Indenture and except for the intercept of Tax Monies, as provided in Section 4.8 hereof, nothing in this Loan Agreement or the Note creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body, or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues, to or for the payment of any bonds, notes or certificates of the Governing Body or for any other purpose whatsoever. The County has not pledged or levied any form of taxation for the payment of the Note or amounts due under this Loan Agreement.

The obligations of the County under the Note and this Loan Agreement are not general obligations and do not constitute a pledge of the full faith and credit of the County, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

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Section 4.4 Additional Charges. The County agrees to pay as additional charges, when due, each and all of the following:

- (1) all Issuance Expenses;
- (2) to or upon the order of the Indenture Trustee, upon demand, all fees of the Indenture Trustee for services rendered under the Indenture and all fees and charges of the paying agent, registrars, legal counsel, accountants, public agencies and others incurred in the performance on request of the Indenture Trustee of services required under the Indenture for which the Indenture Trustee and such other persons are entitled to payment or reimbursement; provided that after payment in full thereof the County may, without creating a default hereunder, contest in good faith the necessity or reasonableness of any such services, fees or expenses other than the Indenture Trustee's fees for ordinary services as set forth in the Indenture, paying agent fees and any fees or charges of public agencies;
- (3) to the Issuer, the Administrator and the Indenture Trustee, the Administration Expenses, and all other reasonable expenses incurred by the Issuer in relation to the Project which are not otherwise required to be paid by the County under the terms of this Loan Agreement and all indemnity payments required to be made under Section 7.3 hereof;
- (4) any and all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of any counsel, accountants or other professionals) incurred by Indenture Trustee or the Issuer at any time, in connection with (a) the preparation, negotiation and execution of this Loan Agreement, the Indenture, the Note, and all other Bond Documents, any amendment of or modification of this Loan Agreement, the Indenture, the Note or the other Bond Documents (including in connection with any sale, transfer, or attempted sale or transfer of any interest herein to a participant or assignee); (b) any litigation, contest, dispute, suit, proceeding or action, whether instituted by Issuer, the Indenture Trustee, the County or any other person in any way relating to the Project, the Note, the other Bond Documents, or the County's affairs; (c) any attempt to enforce any rights of the Indenture Trustee or the Issuer against the County or any other person which may be obligated to the Indenture Trustee and/or Issuer by virtue of the Note, the other Bond Documents or any other Project documents; and (d) performing any of the obligations relating to or payment of any obligations of the County hereunder in accordance with the terms hereof or any other Bond Document;
- (5) if there is on deposit in the Debt Service Reserve Fund an amount less than the Debt Service Reserve Requirement as of any Interest Payment Date based on the Indenture Trustee's valuation under Section 4.1(c) of the Indenture, the County will pay directly to the Indenture Trustee an amount for deposit into the Debt Service Reserve Fund which, when added to the amount already on deposit in the Debt Service Reserve Fund, equals the Debt Service Reserve Requirement, such payment to be made within thirty (30) days after the applicable Interest Payment Date;
- (6) upon notice by the Indenture Trustee that any event described in the last paragraph of Section 4.1(c) of the Indenture has occurred, the County will make or cause to be made the required payments to replenish the Debt Service Reserve Fund within five (5) days of such notice. Said payments may be made from proceeds of a drawing under a Reserve Fund Credit Facility; and

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(7) The County hereby agrees to pay the Trustee ____ () basis points per month as an addition to the Weekly Rate or Term Rate, as applicable, each month, which amount shall be deposited by the Trustee into the Servicing Account of the Debt Service Fund to provide for the remarketing fee pursuant to the Remarketing Agreement (the "Remarketing Fee"), the ongoing charges provided for in the Standby Bond Purchase Agreement (the "SBPA Fee"), the ongoing charges of any Rating Agency maintaining a rating on the Bonds, the ongoing charges of the Administrator, and any other ongoing charges associated with the Bonds. Pursuant to Section 9.14(f) of the Indenture, upon receipt of an invoice or statement for any such fees, the Trustee shall confirm the calculation of the noted charges pursuant to the Remarketing Agreement, the Standby Bond Purchase Agreement, the Administration Agreement or as otherwise may be applicable, and pay or disburse any such fees from the Servicing Account. At the end of each Bond Year any remaining funds in the Servicing Account shall be deposited into the Interest Account of the Debt Service Fund to be used to pay the interest portion of debt service due on the Bonds.

Section 4.5 County's Obligations Unconditional. The County will not suspend or discontinue any Basic Payments or Additional Charges, and will perform and observe all of its other agreements in this Loan Agreement, and, except as expressly permitted in Section 8.1 hereof, will not terminate this Loan Agreement for any cause, including but not limited to the invalidity or unenforceability or lack of due authorization or other infirmity of this Loan Agreement or the Note, or lack of right, power or authority of the Issuer to enter into this Loan Agreement, eviction by paramount title, commercial frustration of purpose, bankruptcy or insolvency of the Issuer or the Indenture Trustee, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State of Mississippi or any political subdivision thereof, or failure of the Issuer to perform and observe any agreement, whether express or implied or any duty, liability or obligation arising out of or connected with this Loan Agreement or the Note, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the Basic Payments and other amounts payable by the County hereunder shall be paid in full when due without any delay or diminution whatever.

Section 4.6 Assignment of Issuer's Rights. As security for the payment of the Bonds, the Issuer will pledge the amounts payable hereunder and under the Note and assign, without recourse or liability, to the Indenture Trustee, the Issuer's rights under this Loan Agreement and under the Note. The rights pledged and assigned by the Issuer hereunder will include the right to receive payments hereunder (except the right to receive payments, if any, under Section 4.4, 7.3, 9.5, 10.8 and 10.11 hereof) and the Issuer hereby directs the County to make said payments directly to the Indenture Trustee. The County herewith assents to such assignment and will make payments under this Loan Agreement directly to the Indenture Trustee without defense or setoff by reason of any dispute between the County and the Indenture Trustee.

Section 4.7 County's Remedies. Nothing contained in this Article shall be construed to release the Issuer from the performance of any of its agreements herein, and if the Issuer should fail to perform any such agreements, the County may institute such action against the Issuer as the County may deem necessary to compel the performance so long as such action for specific performance shall not violate the County's agreements in Section 4.5 or diminish or delay the amounts required to be paid by the County pursuant to Section 4.2 of this Loan Agreement. The

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County acknowledges however and agrees that any pecuniary obligation of the Issuer created by or arising out of this Loan Agreement shall be payable solely out of the proceeds derived from this Loan Agreement or the sale of the Bonds upon a default by the County or otherwise.

Section 4.8 Agreement Withholding County Monies to Satisfy Delinquent Payments. As provided for the Act, the County and the Issuer have entered into and the Indenture Trustee has accepted a Tax Intercept Agreement, whereby the County has covenanted, agreed and authorized the Mississippi State Tax Commission or any other State agency, department or commission to (1) withhold all or any part of monies which the County is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi State Tax Commission or any other State agency, department or commission (the "Tax Monies") and (2) pay same over to the Indenture Trustee to satisfy any delinquent payment (the "Delinquent Payment") under Section 4.2 and 4.4(5) of this Loan Agreement. If on the first day of each month, beginning February 1, 2004, the Indenture Trustee has been notified pursuant to Section 4.2 herein that there are insufficient revenues to make the deposits required to provide the payments under Section 4.2 or 4.4(5) of this Loan Agreement, the Issuer has authorized and directed the Indenture Trustee under the Tax Intercept Agreement to file the Tax Intercept Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the State Tax Commission or any other State agency, department or commission, thereby directing the Mississippi State Tax Commission or any other State agency, department or commission, to pay any Tax Monies directly to the Indenture Trustee on behalf of the Issuer to satisfy any Delinquent Payment, all as permitted under the Act. In any event if the County fails to cause timely payments under the Loan Agreement and the Note as provided in Section 4.2 or 4.4(5) hereof, the Indenture Trustee is hereby further directed to file the Tax Intercept Agreement with the Mississippi State Tax Commission and take further action to recover Tax Monies under the Tax Intercept Agreement. The Indenture Trustee is hereby directed to pay any Tax Monies into the appropriate account of the Debt Service Fund or the Debt Service Reserve Fund to be applied in accordance with Section 4.1 of the Indenture.

ARTICLE V.
[RESERVED]

ARTICLE VI.
REFUNDING PROJECT COVENANTS

Section 6.1 Affirmative Covenants of the County. Until the termination date and thereafter until no amount is due or owing to the Issuer hereunder, the County shall comply with each of the covenants, undertakings and agreements set forth in this Article VI unless the Indenture Trustee and Issuer shall otherwise consent in writing which consent may be withheld in their sole and absolute discretion.

Section 6.2 Covenants in Bond Documents. The County shall keep and perform all covenants and agreements set forth in the Indenture and each and every other Bond Document, which covenants are incorporated herein by reference as if fully set forth herein.

Section 6.3 Conduct of Governmental Operations. The County shall maintain its existence as a political subdivision organized and validly existing under the Constitution and laws

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of the State. The County will comply with all applicable laws and regulations of any federal, state or local governmental authority, except for such laws and regulations, the violation of which would not, in the aggregate, have a material adverse effect on the County's financial condition.

Section 6.4 Payment of Indebtedness. The County shall pay any indebtedness for which it is liable when due and shall not permit any default to occur under any document evidencing or securing any such indebtedness.

Section 6.5 Performance of Obligations. The County shall observe and perform its obligations under this Loan Agreement, the Note, the other Bond Documents and the other agreements relating to the transaction contemplated hereby to which it is a party or by which it is bound and shall not suffer or permit any default or Event of Default to exist hereunder or thereunder. The County shall use its good faith efforts to cause the other parties to the other Bond Documents to deliver notices and documents required to be delivered to the Issuer and cause such parties to observe and perform those obligations and covenants contained in the Bond Documents required to be observed and performed thereunder.

Section 6.6 Annual Budget. The County shall, not less than sixty (60) days before the beginning of any Fiscal Year, prepare and file with the Indenture Trustee its Annual Budget showing estimated Operating Expenses, Debt Service and Revenues for the County for such Fiscal Year. Such Annual Budget may set forth such additional material as the County may determine and may be amended during the Fiscal Year if determined necessary by the County or as a result of unforeseen circumstances.

Section 6.7 [RESERVED]

ARTICLE VII.
COUNTY'S COVENANTS

Section 7.1 Covenant for the Benefit of the Indenture Trustee and the Bondholders. The County recognizes the authority of the Issuer to assign its interest in and pledge monies receivable under this Loan Agreement (other than certain payments required to be made to the Issuer under Sections 4.4, 7.3, 9.5, 10.8 and 10.11) to the Indenture Trustee as security for the payment of the principal of and interest and redemption premiums, if any, on the Bonds, and the payment of all fees and expenses of the Indenture Trustee; and hereby agrees to be bound by, and joins with the Issuer in the grant of a security interest to the Indenture Trustee in any rights and interest the County may have in sums held in the Funds described in Article IV pursuant to the terms and conditions of the Indenture, all as to secure payment of the Bonds. Each of the terms and provisions of this Loan Agreement is a covenant for the use and benefit of the Indenture Trustee and the Holders of the Bonds, so long as any thereof shall remain Outstanding; but upon payment in full of the Bonds in accordance with Article XII of the Indenture and of all fees and charges of the Indenture Trustee and paying agent, all references in this Loan Agreement to the Bonds, the Holders thereof and the Indenture Trustee shall be ineffective, and neither the Indenture Trustee nor the Holders of any of the Bonds shall thereafter have any rights hereunder, save and except those that shall have theretofore vested or that arise from provisions hereunder which survive termination of this Loan Agreement.

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Section 7.2 Certificate of Compliance and Other Reports. The County will at the request of the Indenture Trustee, and at the County's expense, furnish to the Indenture Trustee and Issuer at such times and in such form as the Indenture Trustee may reasonably require a copy of reports containing such information as is necessary to comply with any lawful reporting or continuing registration requirements imposed by any agency of the State under the Act, the Mississippi Blue Sky Laws or any other applicable state law as it now exists or may hereafter be amended or any agency of any other state in which the Bonds have been sold, or such information as necessary to comply with federal securities law.

Section 7.3 Indemnification. The County, will, to the fullest extent permitted by law, protect, indemnify and save the Issuer and Indenture Trustee and its officers, agents, and employees and any person who controls the Issuer within the meaning of the Securities Act of 1933, harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Issuer), taxes, causes of action, suits, claims, demands and judgments of any nature arising from:

(1) violation of any agreement, provision or condition of this Loan Agreement, the Bonds or the Indenture except a violation by the Issuer;

(2) any statement or information relating to the expenditure of the proceeds of the Bonds contained in the "Tax Certificate" or similar document furnished by the County to the Issuer which, at the time made, is misleading, untrue or incorrect in any material respect; and

(3) any untrue statement or alleged untrue statement of a material fact contained in any offering material relating to the sale or remarketing of the Bonds (as from time to time amended or supplemented) or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner whereby or to whom the Bonds could be sold.

Promptly after receipt by the Issuer or any such other indemnified person, as the case may be, of notice of the commencement of any action with respect to which indemnity may be sought against the County under this Section, such person will notify the County in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the County shall assume the defense of such action (including the employment of counsel, who shall be counsel reasonably satisfactory to the Issuer, or such other person as the case may be, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which indemnity may be sought against the County, the Issuer or any such other indemnified person shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall not be at the expense of the County unless the employment of such Counsel has been specifically authorized by the County. The County shall not be liable to indemnify any person for any settlement of any such action effected without its consent.

The provisions of this Section 7.3 shall survive the payment and discharge of the Bonds.

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Section 7.4 Tax Covenants.

(a) In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds, and for no other purpose, the County covenants to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the County agrees to comply with the Tax Certificate executed by the County on the date of the issuance and delivery of the Bonds, as such Tax Certificate may be amended from time to time.

(b) The County covenants and agrees with the Indenture Trustee and the Bondholders that the County shall not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bonds, would cause the Bonds to be "private activity bonds" or "arbitrage bonds" within the meaning of Sections 141(a) and 148(a), respectively, of the Code, or any successor provisions.

(c) The County shall make any and all payments required to be made to the United States Department of the Treasury in connection with Bonds pursuant to Section 148(i) of the Code from amounts available therefor.

(d) Upon the authentication and delivery of the Bonds, the County shall furnish to the Indenture Trustee certificates of the Authorized County Representative of the County to the effect that, on the basis of the facts, estimates and circumstances in existence on the date of such authentication and delivery, it is not expected that the proceeds of the Bonds will be used in a manner that would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Treasury Regulations thereunder, and in such certificates the County shall set forth such facts and circumstances which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized County Representative, there are no other facts or circumstances that would materially change the expectations expressed in such certificate.

(e) Notwithstanding any other provisions of this Loan Agreement to the contrary, so long as necessary in order to maintain the exclusion from gross income for Federal income tax purposes under Section 103(a) of the Code of interest on the Bonds, the covenants contained in this Section 7.4 shall survive the payment of the Note and the Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Section 8.1 of this Loan Agreement and Article XII of the Indenture, respectively.

ARTICLE VIII.
COUNTY'S OPTIONS

Section 8.1 Prepayment of the Note and Termination of the Loan Agreement.

(1) Unless an Event of Default has occurred and is continuing, the County shall have the option to direct the Indenture Trustee to call for redemption the Outstanding Bonds, in whole or in part, as provided in Section 3.4 of the Indenture. The Bonds to be redeemed shall be redeemed at a price equal to their principal amount, plus a premium, if any, and accrued interest as

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set forth in Section 3.4 of the Indenture upon receipt of notice by the Indenture Trustee from the County in the manner as set forth in the Indenture. The Bonds are also subject to redemption from proceeds received upon the sale or prepayment prior to maturity of the Note or upon a default under the Note and acceleration thereof. In the event the Bonds are called for redemption in whole or in part under the Indenture, a Basic Payment shall be made by the County in the amount of principal plus the premium, if any, and accrued interest and all other fees due hereunder and under the Indenture to effectuate said redemption.

(2) If, after the County exercises its option to redeem all Bonds, no Bonds remain Outstanding, the Indenture is discharged, and the County has satisfied all of its obligations hereunder and under the Note, the Indenture Trustee and the Issuer shall execute and deliver to the County such instruments as the County reasonably determines are necessary to terminate this Loan Agreement. All further obligations of the County hereunder, except as set forth in Sections 7.3 and 10.10, shall thereupon terminate.

(3) The County shall pay to the Indenture Trustee at least five (5) days prior to the Discharge Date, an amount equal to the Indenture Trustee's and paying agent's fees and expenses under the Indenture, accrued and to accrue until final payment and redemption of the Bonds and all other advances, fees, costs and expenses reasonably incurred and to be incurred on or before the termination date by the Indenture Trustee and paying agent under the Indenture and by the Issuer under this Loan Agreement.

(4) On the termination date, a closing shall be held at the principal office of the Indenture Trustee, or any other office mutually agreed upon.

Upon termination of this Loan Agreement as provided for in this Section 8.1, the Issuer will cause the Indenture Trustee to deliver a release of the Indenture and the estate created by this Loan Agreement and the Note, and all further obligations of the County hereunder, except under Sections 7.3, 7.4, 9.5, 10.8 and 10.11, shall thereupon terminate, provided, however, that the County shall also remain obligated to pay or reimburse the Issuer and Indenture Trustee for the payment of all other fees, costs and expenses unaccounted for in the sum paid in accordance with subsection (3) above and reasonably incurred before or subsequent to such closing in connection with the Bonds.

Section 8.2 [RESERVED]

ARTICLE IX.
EVENTS OF DEFAULT AND REMEDIES

Section 9.1 Events of Default. Any one or more of the following events is an Event of Default under this Loan Agreement, and the term "Event of Default," wherever used herein, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

- (1) if the County shall fail to pay any Basic Payments due under this Loan Agreement;
- (2) if the County shall fail to pay any Additional Charges on or before the date that the payment is due and shall continue to be in arrears for five (5) days after the due date thereof;

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(3) if the County shall fail to observe and perform or shall breach any other covenant, condition or agreement on its part under this Loan Agreement for a period of fifteen (15) days after mailing of a notice to it by the Issuer or the Indenture Trustee, specifying such default or breach and requesting that it be remedied; provided that if the failure stated in the notice cannot be corrected within fifteen (15) days, the Issuer and Indenture Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the County within said fifteen (15) days and is diligently pursued for an additional thirty (30) days;

(4) if the County shall be dissolved;

(5) if any representation or warranty made by the County herein, or by an officer or representative of the County in any document or certificate furnished the Indenture Trustee or the Issuer in connection herewith or therewith or pursuant hereto or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made; and

(6) the occurrence of an event of default under any other Bond Document which is not cured within the time period provided therefor, if any.

Section 9.2 Remedies.

(1) Whenever any Event of Default specified in Section 9.1(1) above shall have happened and be continuing, the Indenture Trustee shall declare all the Basic Payments payable for the remainder of the Term of this Loan Agreement (an amount equal to that necessary to pay in full the Note and the interest thereon assuming acceleration of the Bonds under the Indenture and to pay all other indebtedness thereunder) to be immediately due and payable whereupon the same shall become immediately due and payable by the County but only if the acceleration of payment of Bonds has been declared by the Indenture Trustee under Section 8.4 of the Indenture.

(2) Whenever any Event of Default shall have occurred and be continuing any one or more of the following remedial steps may also be taken to the extent permitted by law:

(A) the Indenture Trustee or the Issuer may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the County, under this Loan Agreement, the Note or any related instrument; or to otherwise compensate the Issuer, Indenture Trustee or Bondholders for any damages on account of such Event of Default; and

(B) the Issuer (without the prior written consent of the Indenture Trustee if the Indenture Trustee is not enforcing the Issuer's right in a manner to protect the Issuer or is otherwise taking action that brings adverse consequences to the Issuer) may take whatever action at law or in equity may appear necessary or appropriate to enforce its rights of indemnification under Section 7.3 hereof and to collect all sums then due and thereafter to become due to the Issuer under Section 4.4, 7.3, 9.5, 10.8 and 10.11 of this Loan Agreement. Notwithstanding the foregoing, the Issuer is not precluded from exercising any of its rights reserved to it as set forth in this Section, even if the Indenture Trustee is exercising the rights of the Issuer hereunder.

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Section 9.3 Disposition of Funds. Any amounts collected pursuant to action taken under Section 9.2 above (other than sums collected for the Issuer on account of its rights to indemnification and certain direct payments to be made to the Issuer under Sections 4.4, 7.3 and 9.5 hereof) shall be applied in accordance with the provisions of the Indenture.

Section 9.4 Nonexclusive Remedies. No remedy herein conferred upon or reserved to the Issuer or Indenture Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer (or the Indenture Trustee) to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required or be required by law.

Section 9.5 Attorneys' Fees and Expenses. If an Event of Default shall exist under this Loan Agreement and the Issuer or the Indenture Trustee should employ attorneys or incur other expenses for the collection of any amounts due hereunder, or the enforcement of performance of any obligation or agreement on the part of the County, the County will upon demand pay to the Issuer or the Indenture Trustee the reasonable fees of such attorneys and such other expenses so incurred.

Section 9.6 Effect of Waiver. In the event any agreement contained in this Loan Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.7 Waiver of Stay or Extension. The County covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any appraisal, valuation, stay, or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Loan Agreement; and the County (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Issuer or the Indenture Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

Section 9.8 Issuer May File Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the County or the Refunding Project, the Indenture Trustee or the Issuer with the prior consent of the Indenture Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise,

(1) to file and prove a claim and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Issuer and the Indenture Trustee (for themselves and on behalf of Bondholders) (including any claim for the reasonable compensation,

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expenses, disbursements and advances of the Issuer and Indenture Trustee, their agents and counsel) allowed in such judicial proceeding, and

(2) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

Section 9.9 Restoration of Positions. If the Issuer or the Indenture Trustee have instituted any proceeding to enforce any right or remedy under this Loan Agreement or the Note, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Issuer or the Indenture Trustee, then and in every such case the County and the Issuer shall, subject to any determination in the proceeding, be restored to the positions they held prior to commencement of such proceedings, and thereafter all rights and remedies of the Issuer shall continue as though no such proceeding had been instituted.

Section 9.10 [RESERVED]

Section 9.11 Performance by Third Parties. The Issuer may permit third parties to perform any and all acts or take such action as may be necessary for and on behalf of the County to cure any Event of Default hereunder. The acceptance by the Issuer or the Indenture Trustee of any such performance by third parties shall not in any way diminish or absolve the County of primary liability hereunder.

Section 9.12 Exercise of the Issuer's Remedies by Indenture Trustee. Whenever any Event of Default shall have happened and be subsisting the Indenture Trustee may, but except as otherwise provided in the Indenture shall not be obliged to, exercise any or all of the rights of the Issuer under this Article IX.

ARTICLE X.
GENERAL

Section 10.1 Amounts Remaining in Funds. Except during the continuance of an Event of Default, any amounts remaining in the Funds created under Article VI of the Indenture and held by the Indenture Trustee, upon expiration or earlier termination of this Loan Agreement, as provided herein, and after adequate provision has been made for payment in full of the Bonds, in accordance with Article XII of the Indenture, any Additional Charges payable to the Indenture Trustee and the Issuer, including paying agent's fees and expenses, and all other amounts required to be paid under this Loan Agreement, the Indenture and the other Bond Documents, shall forthwith be paid to the County by the Indenture Trustee except as provided in Section 4.1(f) of the Indenture.

Section 10.2 Notices. All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered or certified mail or commercially expedited delivery service, with proper address as indicated below. The Issuer, the County, the Indenture Trustee and the Bond Insurer may, by written notice given by each of them to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Loan Agreement. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

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To the Issuer: Mississippi Development Bank
 735 Riverside Drive, Suite 300
 Jackson, Mississippi 39202
 Attn: Executive Director

To the County: Chancery Clerk
 Courthouse
 1801 23rd Avenue
 Gulfport, Mississippi 39502

To the Indenture Trustee: Hancock Bank
 1855 Lakeland Drive, Suite P-231
 Jackson, Mississippi 39216
 Attention: Corporate Trust

To the Bond Insurer: Ambac Assurance Corporation
 One State Street Plaza
 New York, New York 10004
 Attention: Surveillance Department

Section 10.3 Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the County and their respective successors and assigns.

Section 10.4 Severability. In the event any provisions of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5 Amendments, Changes, and Modifications. Except as otherwise provided in this Loan Agreement or in the Indenture, subsequent to the issuance of the Bonds and before the lien of the Indenture is satisfied and discharged in accordance with its terms, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Indenture Trustee, the County, the Bond Insurer and Issuer.

Section 10.6 Execution Counterparts. This Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.7 Required Approvals. Consents and approvals required by this Loan Agreement to be obtained from the County, the Issuer or the Indenture Trustee shall be in writing.

Section 10.8 Limitation on Issuer Liability. It is understood and agreed by the County and the Holders that no covenant, provision or agreement of the Issuer herein or in the Bonds or in any other document executed by the Issuer in connection with the issuance, sale and delivery of the Bonds, or any obligation herein or therein imposed upon the Issuer or breach thereof, shall give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers or shall obligate the Issuer financially in any way except with respect to this Loan Agreement and the Note and the application of revenues therefrom and the proceeds of the Bonds. No failure of the Issuer, unless wrongful, to comply with any term, condition, covenant or agreement herein or

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therein shall subject the Issuer to liability for any claim for damages, costs or other financial or pecuniary charges except to the extent that the same can be paid or recovered from this Loan Agreement and the Note or revenues therefrom or proceeds of the Bonds. No execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or taxing powers of the Issuer. In making the agreements, provisions and covenants set forth herein, the Issuer has not obligated itself except with respect to this Loan Agreement and the application of revenues hereunder as hereinabove provided. The Bonds constitute special obligations of the Issuer, payable solely from the certain revenues of the County pursuant to this Loan Agreement and the Indenture, and do not now and shall never constitute an indebtedness or a loan of the credit of the Issuer, the State or any political subdivision thereof or a charge against general taxing powers within the meaning of any constitutional or statutory provision whatsoever. It is further understood and agreed by the County and the Holders that the Issuer shall incur no pecuniary liability hereunder and shall not be liable for any expenses related hereto. If, notwithstanding the provisions of this Section, the Issuer incurs any expense, or suffers any losses, claims or damages or incurs any liabilities, the County will indemnify and hold harmless the Issuer from the same and will reimburse the Issuer for any legal or other expenses incurred by the Issuer in relation thereto, and this covenant to indemnify, hold harmless and reimburse the Issuer shall survive delivery of and payment for the Bonds. All references to the Issuer under this Section 10.8 shall include its employees, directors, attorneys and/or agents as applicable.

Section 10.9 Representations of County. All representations made in this Loan Agreement by the County are based on the County's independent investigation of the facts and law, and accordingly no such representations are made in reliance upon any representations made or legal advice given by the Issuer, its Bond Counsel, or any of its agents, officers or employees.

Section 10.10 Survivorship of Obligations. All obligations of the County under Sections 4.4, 7.3, 7.4, 10.8 and 10.11 hereof shall survive payment of the Bonds or earlier termination of this Loan Agreement.

Section 10.11 Administrative Fees, Attorneys' Fees and Costs. The County shall reimburse the Issuer, upon demand, for all costs and expenses, including without limitation attorneys' fees, paid or incurred by the Issuer in connection with (i) the discussion, negotiation, preparation, approval, execution and delivery of the Bonds, the Indenture, this Loan Agreement, the Note, the Tax Intercept Agreement and the documents and instruments related hereto or thereto; (ii) any amendments or modifications to any of the foregoing documents, instruments or agreements and the discussion, negotiation, preparation, approval, execution and delivery of any and all documents necessary or desirable to effect such amendments or modifications; (iii) the servicing and administration of the Loan during the term hereof or thereafter; and (iv) the enforcement by the Issuer during the term hereof or thereafter of any of the rights or remedies of the Issuer hereunder or under the foregoing documents, or any document, instrument or agreement related hereto or thereto, including, without limitation, costs and expenses of collection in the Event of Default, whether or not suit is filed with respect thereto.

Section 10.12 Release. The County hereby acknowledges and agrees that the Issuer shall not be liable to the County, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and

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causes of action, paid, incurred or sustained by the County as a result of or relating to any action, or failure or refusal to act, on the part of the Issuer, Indenture Trustee or any other party with respect to the Bonds, the Indenture, this Loan Agreement, the Note, the Tax Intercept Agreement, or the documents and transactions related hereto or thereto or contemplated hereby or thereby, including, without limitation, the exercise by the Indenture Trustee or any third party of any of its rights or remedies pursuant to any of such documents.

Section 10.13 Choice of Law; Venue. This Loan Agreement has been delivered in Jackson, Mississippi. The provisions of this Loan Agreement and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State and to the extent they preempt such laws, the laws of the United States of America.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, the Issuer and the County have caused this Loan Agreement to be executed by their duly authorized officers.

MISSISSIPPI DEVELOPMENT BANK

(SEAL)

By: _____
William T. Barry, Executive Director

ATTEST:

By: _____
J. Vernon Smith, Secretary

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HARRISON COUNTY, MISSISSIPPI

(SEAL)

By: _____
President, Board of Supervisors

ATTEST:

By: _____
Chancery Clerk

Signature page of Loan Agreement, dated December 23, 2003, by and between the Mississippi Development Bank and Harrison County, Mississippi

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EXHIBIT A

DEFINITIONS FROM INDENTURE

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[Indenture definitions to be provided.]

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EXHIBIT B

FORM OF NOTE

\$ _____

PROMISSORY NOTE

(MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI
2003 REFUNDING PROJECT)

Date: December 23, 2003

\$ _____

Harrison County, Mississippi, a political subdivision organized and validly existing under the Constitution and laws of the State of Mississippi ("County"), for value received, hereby promises to pay, in immediately available funds, to the order of the Mississippi Development Bank (the "Issuer") or its assigns, the aggregate principal sum equal to the outstanding principal amount of the Bonds (as hereinafter defined) outstanding up to a maximum principal amount of \$ _____ together with interest on the unpaid principal balance thereof from the date hereof until fully and finally paid, premium, if any, together with all taxes levied or assessed on this Note or the debt evidenced hereby against the holder hereof and all other amounts payable by the County under the Loan Agreement (as hereinafter defined). This Note shall bear interest at the Weekly Rate, the Term Rate or the Purchased Rate (as such terms are defined in the Indenture) on the Bonds except as otherwise provided hereunder.

This Note has been executed under and pursuant to a Loan Agreement dated December 23, 2003, by and between the Issuer and the County (the "Loan Agreement") which Loan Agreement is incorporated herein in its entirety by reference. This Note is issued to evidence the obligation of the County under the Loan Agreement to repay the loan made by the Issuer to the County from the proceeds of its \$ _____ Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), dated December 23, 2003 (the "Bonds"), together with interest thereon at the interest rate or rates as defined and set forth in the Indenture (as hereinafter defined), premium, if any, and all other amounts, fees, penalties, premiums, adjustments, expenses, counsel fees and other payments of any kind required to be paid by the County under the Loan Agreement. The Loan Agreement includes provisions permitting the County, at its election, to prepay this Note, in whole or in part, all as more particularly described in the Indenture. The Loan Agreement includes provisions permitting the Indenture Trustee, at the direction of the Bondholders, to require mandatory prepayment of this Note at certain times and under certain circumstances, all as set forth in the Indenture. In the event that the terms of this Note conflict with the terms of the Indenture or the Loan Agreement, the terms of the Indenture or the Loan Agreement, as applicable, shall control.

If the County shall fail to pay on the due date therefor, whether by acceleration or otherwise, any principal, premium, if any, or interest owing hereunder, then interest shall accrue on such unpaid amounts from the date due until and including the date on which such amounts are paid in full.

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The Loan Agreement and this Note have been assigned to Hancock Bank, Gulfport, Mississippi, as Trustee (the "**Indenture Trustee**") pursuant to an Trust Indenture, dated December 23, 2003, by and between the Issuer and the Indenture Trustee (the "**Indenture**"). Such assignment is made as security for the payment of the Bonds issued by the Issuer pursuant to the Indenture.

As provided in the Loan Agreement and subject to the provisions thereof, payments hereon are to be made at the principal office of the Indenture Trustee as shown in the Loan Agreement in an amount which, together with other moneys available therefor pursuant to the Indenture, will equal the amount payable as principal of, premium, if any, and interest on the Bonds outstanding on such due date.

The County shall make payments on this Note on the dates and in the amounts specified herein and in the Loan Agreement and in addition shall make such other payments as are required pursuant to the Loan Agreement, the Indenture and the Bonds. Upon the occurrence of an Event of Default, as defined in the Indenture or the Loan Agreement, as applicable, the principal of, premium, if any, and interest on this Note may be declared immediately due and payable as provided in the Loan Agreement. Upon any such declaration the County shall pay all costs, disbursements, expenses and reasonable counsel fees of the Issuer and the Indenture Trustee in seeking to enforce their rights under the Loan Agreement and this Note.

The County waives diligence, demand, presentment for payment, notice of nonpayment, protest and notice of protest, notice of any renewals or extension of this Note, and all rights under any statute of limitations. Any delay on the part of the Issuer or the Indenture Trustee in exercising any right hereunder shall not operate as a waiver of any such right, and any waiver granted with respect to one default shall not operate as a waiver in the event of any subsequent or continuing default.

All notices, certificates or other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when mailed by registered or certified mail or commercially expedited delivery service, with proper address as indicated below. The Issuer, the County and the Indenture Trustee may, by written notice given by each of them to the others, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Note. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Issuer: Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202
Attn: Executive Director

To the County: Chancery Clerk
Courthouse
1801 23rd Avenue
Gulfport, Mississippi 39502

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To the Indenture Trustee: Hancock Bank
1855 Lakeland Drive, Suite P-231
Jackson, Mississippi 39216
Attention: Corporate Trust

This Note has been delivered in Jackson, Mississippi. The provisions of this Note and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Mississippi and to the extent they preempt such laws, the laws of the United States.

The County agrees that Indenture Trustee shall have the right to proceed against the County or its property in a court in any location to enable the Indenture Trustee to realize on such property, or to enforce a judgment or other court order entered in favor of Indenture Trustee. The County agrees that it shall not assert any permissive counterclaims in any proceeding brought in accordance with this provision by the Indenture Trustee or the Bank to realize on such property, or to enforce a judgment or other court order in favor of Indenture Trustee. The County waives any objection that it may have to the location of the court in which the Indenture Trustee has commenced a proceeding described in this paragraph.

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed in its name and, if applicable, its corporate seal to be hereunto affixed and attested to by its duly authorized officers all as of the day and year first above written.

(SEAL)

HARRISON COUNTY, MISSISSIPPI

By: _____
Title: President, Board of Supervisors

ATTEST:

By: _____
Title: Chancery Clerk

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ASSIGNMENT OF NOTE

FOR VALUE RECEIVED, the Mississippi Development Bank hereby assigns and transfers, without recourse, this Note to Hancock Bank of Gulfport, Mississippi, as Indenture Trustee under the Indenture herein mentioned, provided, however, that the rights pledged and assigned hereunder do not include unassigned rights reserved by the Mississippi Development Bank in Sections 4.4, 7.3, 9.5, 10.8 or 10.11 of the Loan Agreement dated December 23, 2003, and between the Mississippi Development Bank and Harrison County, Mississippi.

(SEAL)

MISSISSIPPI DEVELOPMENT BANK

By: _____
William T. Barry, Executive Director

Attest:

By: _____
J. Vernon Smith, Secretary

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EXHIBIT B
FORM OF INDENTURE

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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TRUST INDENTURE

Dated December 23, 2003

By and Between

MISSISSIPPI DEVELOPMENT BANK

AND

HANCOCK BANK,
as Trustee

RELATIVE TO

§
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2003
(MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI
2003 REFUNDING PROJECT)

This instrument was drafted by:
BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC
Attorneys At Law
210 East Capitol Street
Suite 1700, AmSouth Plaza
Jackson, Mississippi 39201

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TRUST INDENTURE

THIS TRUST INDENTURE (the "Indenture") is dated December 23, 2003 by and between the **MISSISSIPPI DEVELOPMENT BANK** (the "Bank"), a political subdivision of the State of Mississippi created pursuant to the authority of Sections 31-25-1 *et seq.* of the Mississippi Code of 1972, as amended (the "Act"), and **HANCOCK BANK**, as Trustee (the "Trustee"), a state banking corporation duly organized and existing under and by virtue of the laws of the State of Mississippi, duly authorized and qualified to accept and execute trusts of the character hereinafter set forth, with a corporate trust operations office located in Jackson, Mississippi.

WITNESSETH:

WHEREAS, the Bank was duly created under and pursuant to the provisions of the Act as a political subdivision of the State of Mississippi (the "State"); and

WHEREAS, the Bank is authorized by the Act, among other things, to issue Bonds for the purpose of entering into loan agreements with Local Governmental Units, as defined in the Act and herein; and

WHEREAS, the Bank is authorized, and believes it to be in the best interest of the Bank and the State, to issue its revenue bonds and use the funds derived from the sale thereof to make a loan to Harrison County, Mississippi (the "County"), for the purpose of providing funds for the current refunding and prepayment of the County's outstanding \$15,000,000 Harrison County, Mississippi, Promissory Note, dated December 18, 2000 (the "2000 Note") (the "Refunding Project"), and paying the costs of such borrowing; and

WHEREAS, the County has requested that the Bank issue \$_____ aggregate principal amount of Mississippi Development Bank Special Obligations Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project) (the "Bonds"), and the proceeds of the sale of such Bonds are to be used by the Bank to make a loan to the County (the "Loan") pursuant to a Loan Agreement, dated December 23, 2003 (the "Loan Agreement"), by and between the County and the Bank, which Loan Agreement is secured by the County's Promissory Note (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), dated December __, 2003 (the "Note"), in the principal amount of \$_____, for the purpose of providing funds for the Refunding Project, funding the Debt Service Reserve Fund for the Bonds and paying the Costs of Issuance of the Bonds and the Note (together, the "Project"); and

WHEREAS, the Bank is authorized under the provisions of the Act and other constitutional and statutory authority to issue the Bonds for such purposes and the Bank has determined that it is most advantageous to the Bank and necessary to it to issue its revenue bonds as hereinafter provided for such purposes; and

WHEREAS, pursuant to the Loan Agreement, the County will agree to make payments on the Note in an amount sufficient to make timely payments of principal of, premium, if any, and interest on the Bonds and to pay such other amounts as are required by the Loan Agreement; and

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WHEREAS, Ambac Assurance Corporation (the "Bond Insurer") will issue its financial guaranty insurance policy unconditionally and irrevocably guaranteeing the full and complete payment of the principal of and interest on the Bonds as such payments shall become due but shall be unpaid; and

WHEREAS, the County, the Trustee and Bank One, National Association (the "Standby Purchaser") have entered into a Standby Bond Purchase Agreement, dated December 23, 2003 (the "Standby Purchase Agreement"), whereby the Standby Purchaser has agreed to purchase Bonds that are not remarketed after a tender of such Bonds for purchase pursuant to the Optional Tender or Mandatory Tender provisions of this Indenture; and

WHEREAS, the County, the Bank and the Administrator, as herein defined, have entered into an Administration Agreement dated December 23, 2003, whereby the Administrator will consult with and advise the County regarding its duties, responsibilities and covenants under the Loan Agreement and the Note and to perform certain other services as requested by the County and as further provided in the Administration Agreement, including compliance with provisions of this Indenture; and

WHEREAS, the fully registered Bonds and the certificate of authentication by the Trustee to be endorsed thereon with respect to the Bonds are to be in substantially the form attached as **EXHIBIT A** hereto with all necessary and appropriate variations, omissions and insertions as permitted or required under this Indenture; and

WHEREAS, all acts, conditions and things required by the laws of the State to happen, exist and be performed precedent to and in the execution and delivery of this Indenture have happened, exist and have been performed as so required in order to make this Indenture a valid and binding agreement in accordance with its terms; and

WHEREAS, the execution and delivery of this Indenture have been duly authorized the Bank and the Trustee; and

WHEREAS, each of the parties hereto represents that it is fully authorized to enter into and perform and fulfill the obligations imposed upon it under this Indenture and the parties are now prepared to execute and deliver this Indenture.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Bank and the Trustee hereby covenant and agree as follows:

ARTICLE I.
DEFINITIONS AND RULES OF CONSTRUCTION

SECTION 1.1 Definitions. All capitalized terms not otherwise defined herein shall have the meanings assigned thereto in the preamble hereto or in the Loan Agreement. In addition to words and terms elsewhere defined in this Indenture, the following words and terms as used in this Indenture shall have the following meanings, unless some other meaning is plainly intended:

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“**Act**” means Sections 31-25-1 *et seq.*, of the Mississippi Code of 1972, as amended, and all future acts supplemental thereto and amendatory thereof.

“**Additional Bonds**” means bonds, if any, issued in one or more series on a parity with the Bonds pursuant to Article V of this Indenture.

“**Administration Agreement**” means the Administration Agreement dated December 23, 2003, by and among the Bank, the County and the Administrator, whereby the County has employed the Administrator to consult with and advise the County regarding its duties, responsibilities and covenants under the Loan Agreement and the Note and to perform certain other services as requested by the County as further provided in the Administration Agreement, including compliance with provisions of the Indenture.

“**Administrator**” or “**Program Administrator**” means Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi.

“**Authorized Bank Representative**” means the person(s) at the time designated to act under this Indenture on behalf of the Bank by a written certificate furnished to the Trustee containing the specimen signature of such person(s) and signed on behalf of the Bank by the President, Executive Director or Secretary thereof. Such certificate may designate an alternate or alternates.

“**Authorized County Representative**” means either (i) the President of the Board of Supervisors of the County, (ii) the County Administrator or (iii) the Chancery Clerk of the County, or any person subsequently designated to act under the Loan Agreement, the Note and this Indenture on behalf of the County by a written certificate furnished to the Trustee containing the specimen signature of such person(s) and signed on behalf of the County by the President of the Board of Supervisors of the County.

“**Authorized Denomination**” shall have the meaning assigned in Section 3.2 hereof.

“**Available Commitment**” shall have the meaning assigned in the Standby Purchase Agreement.

“**Bank**” means the Mississippi Development Bank, a public corporation of the State created by the provisions of the Act, or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Bank by said provisions shall be given by law.

“**Beneficial Owner**” means, so long as a book-entry system of registration is in effect pursuant to Section 3.18 hereof, the actual purchaser of the Bonds.

“**Bond Documents**” mean collectively the Indenture, Loan Agreement, the Note, Standby Purchase Agreement, Remarketing Agreement and Financial Guaranty Insurance Policy.

“**Bond Insurer**” means the issuer of the Financial Guaranty Insurance Policy, which shall initially be Ambac Assurance Corporation.

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“**Bond Proceeds Fund**” means the fund of that name created under this Indenture.

“**Bond Purchase Fund**” shall mean the fund established pursuant to Section 4.1(f) hereof.

“**Bond Register**” means, when used with respect to the Bonds, the registration records maintained by the Trustee pursuant to Section 3.13 of this Indenture.

“**Bondholder**” or “**Holder**” or “**owner**”, when used with reference to a Bond or Bonds, means the registered owner of any outstanding Bond or Bonds.

“**Bonds**” means the Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), authorized herein and by the Act to be issued by the Bank in the aggregate principal amount of \$ _____, including such Bonds issued in exchange for other such Bonds pursuant to this Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to this Indenture.

“**Business Day**” means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, New Orleans, Louisiana, or Gulfport, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (iv) any day the Courthouse of the County is not closed, or (v) a day on which the New York Stock Exchange is closed.

“**Co-Bond Counsel**” means together Butler, Snow, O’Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mannino, Peresich and McDermott, Biloxi, Mississippi, and their respective successors, or such other nationally recognized bond counsel as may be selected by the Bank and acceptable to the County and the Bond Insurer.

“**County**” means Harrison County, Mississippi.

“**Closing Date**” means the date on which the Bonds are delivered and payment therefor is received by the Bank.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“**Conversion Date**”, when used with respect to the Bonds, shall mean the day on which conversion from one Interest Rate Mode to a different Interest Rate Mode becomes effective.

“**Costs of Issuance**” means all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds and the Note, including, but not limited to, printing costs, cost of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and charges for the preparation and distribution of a preliminary official statement and official statement, fees to the Standby Purchaser, fees of Counsel to the Standby Purchaser, fees of Counsel to the Bond Insurer, fees and disbursements of consultants and professionals, including financial advisors, underwriters, costs of credit ratings, fees and charges for preparation,

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execution, transportation and safekeeping of the Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the Bonds, if any, and any other cost, charge or fee paid or payable by the Bank in connection with the original issuance of the Bonds and the Note.

"Costs of Issuance Account" means the account so designated which is established pursuant to this Indenture.

"Debt Service Fund" means the fund of that name created under this Indenture.

"Debt Service Reserve Fund" means the fund by that name created by Section 4.1 hereof.

"Debt Service Reserve Requirement" means the lesser of the following: (1) the maximum amount of principal and interest becoming due in the current year or any future bond year (meaning each one year beginning on December 2 and ending on December 1 the following year) on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; and (iii) 10% of the stated principal amount of the Bonds, which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility.

"Defeasance Obligations" means investments described in paragraphs (a)(1) and (a)(2) of the definition of Permitted Investments.

"DTC" or **"Securities Depository"** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to this Indenture.

"Expiration Date", when used with respect to any Standby Purchase Agreement, shall mean the date on which the commitment of the Standby Purchaser to purchase Bonds actually terminates.

"Financial Guaranty Insurance Policy" means the financial guaranty insurance policy issued by the Bond Insurer guaranteeing the payment when due of the principal of and interest on the Bonds as provided therein.

"Financing Participants" shall mean the Bank, the County, the Trustee, the Paying Agent, the Standby Purchaser, the Bond Insurer, Reserve Fund Credit Facility Issuer, the Original Purchaser and the Remarketing Agent.

"Fiscal Year" means any period of twelve consecutive months adopted by the County as its fiscal year for financial reporting purposes, presently the period beginning on October 1 and ending on September 30 of each year.

"Guaranty" shall mean a Guaranty Agreement by and between the Bank and Ambac Assurance Corporation, the initial Reserve Fund Credit Facility Issuer, dated December 23, 2003, under which the Bank agreed to reimburse Ambac Assurance Corporation for all draws under the Surety Bond.

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“**Indenture**” means this Trust Indenture dated December 23, 2003, by and between the Bank and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

“**Interest Account**” means the Interest Account within the Debt Service Fund created pursuant to Article IV of this Indenture.

“**Interest Payment Date**” shall mean the date interest is payable on any Bond as provided in Section 3.2(g) hereof.

“**Interest Rate Mode**”, when used with respect to the Bonds, shall mean the Weekly Rate Mode or the Term Rate Mode.

“**Loan Agreement**” means the Loan Agreement, dated December 23, 2003, by and between the Bank and the County.

“**Local Governmental Units**” means (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (ii) the State of Mississippi or any agency thereof, (iii) the institutions of higher learning of the State of Mississippi, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the County, through programs of making loans to such local governmental units under loan agreements between such local governmental units and the Bank.

“**Mandatory Tender**”, when used with respect to the Bonds, shall mean a required tender of a Bond for purchase pursuant to Section 3.8 hereof.

“**Mandatory Tender Date**”, when used with respect to the Bonds, shall mean a date on which a Bond is to be purchased pursuant to a Mandatory Tender.

“**Maturity**”, when used with respect to any Bond, shall mean the date specified herein and in such Bond as the date on which principal of such Bond is due and payable. After Serial Maturities are assigned to the Bonds, the term “Maturity” shall refer to the Serial Maturity of a Bond.

“**Maximum Rate**” shall mean, with respect to the interest rate on the Bonds, thirteen percent (13%) per annum.

“**Moody’s**” means Moody’s Investors Service, a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Bank with the approval of the County and the Bond Insurer.

“**Note**” means the \$ _____ Promissory Note (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), dated December 23, 2003, from County to the Bank.

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“**Note Interest Payment**” means that portion of a Note Payment which represents the interest due or to become due on a Note held by the Trustee pursuant to this Indenture.

“**Note Payment**” or “**Basic Payment**” means the amounts paid or required to be paid, from time to time, for principal and interest on a the Note held by the Trustee pursuant to the Loan Agreement and this Indenture.

“**Note Principal Payment**” means that portion of a Note Payment which represents the principal due or to become due on a Note held by the Trustee pursuant to this Indenture.

“**Optional Tender**”, when used with respect to the Bonds, shall mean tender of a Bond for purchase at the option of the Holder thereof pursuant to Section 3.7 hereof.

“**Optional Tender Date**”, when used with respect to the Bonds, shall mean a date which a Bond is to be purchased pursuant to an Optional Tender.

“**Original Purchaser**” means Sisung Securities Corporation, New Orleans, Louisiana, as the initial purchaser of the Bonds.

“**Outstanding**” or “**outstanding**”, when used with reference to Bonds, means all Bonds which have been authenticated and issued under this Indenture except:

- (a) Bonds canceled by the Trustee pursuant to this Indenture;
- (b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;
- (c) Bonds which have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in this Indenture;
- (d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and
- (e) for all purposes regarding consents and approvals or directions of Bondholders under this Indenture, Bonds held by or for the Bank, the County or any person controlling, controlled by or under common control with either of them.

Any Bonds the principal of or interest on which have been paid by the Bond Insurer shall specifically remain Outstanding hereunder.

“**Participant**” means any broker-dealer, bank and other financial institution from time to time for which DTC holds Bonds as securities depository.

“**Paying Agent**” shall mean paying agent for the Bonds (which shall always be the same entity as the Trustee) and its successor or successors appointed pursuant to the provisions of this Indenture.

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“Permitted Investments” means, to the extent permitted by State law:

(a) The following obligations may be used as Permitted Investments for all purposes, including defeasance investments in refunding escrow accounts:

(1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below), or

(2) Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America.

(b) The following obligations may be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts:

(1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration
(formerly the Farmers Home Administration)
- General Services Administration
- U. S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U. S. Department of Housing & Urban Development (PHIA's)
- Federal Housing Administration
- Federal Financing Bank;

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer;

(3) U. S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

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(4) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(5) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P and "AaaMR1" or better by Moody's;

(6) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a)(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate, provided, however, that Pre-refunded Municipal Obligations meeting the requirements of this subsection (B) may not be used as Permitted Investments without the prior written approval of S&P.

(7) General obligations of any state of the United States of America with a rating of at least "A2/A" or higher by both Moody's and S&P.

(8) Investment agreements approved in writing by the Bond Insurer supported by appropriate opinions of counsel with notice to the Rating Agency; and

(9) Other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer with notice to the Rating Agency.

(c) The value of the above investments shall be determined as follows:

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(1) The value of the securities is computed on the basis of the closing bid price quoted by Interactive Data Systems, Inc.; or

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(2) The valuation of the securities is performed by a nationally recognized and accepted pricing service acceptable to the Bond Insurer whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(3) The valuation of the collateral is based on the lower of two dealer bids on the valuation date. The dealers or their parent holding companies must be rated at least investment grade by S&P and Moody's. In addition, the dealers must be market makers in the securities being valued; or

(4) As to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(5) As to any investment not specified above: the value thereof established by prior agreement among the County, the Bank, the Trustee and the Bond Insurer.

"Principal Account" means the Principal Account within the Debt Service Fund created pursuant to Article IV of this Indenture.

"Purchased Bond" means a Bond owned by the Standby Purchaser after purchased pursuant to the Standby Purchase Agreement.

"Purchased Bond Purchase Date" shall mean a date on which a Bond is purchased by the Standby Purchaser pursuant to the Standby Purchase Agreement.

"Purchased Bond Redemption Date" shall have the meaning assigned to Redemption Date in Section 2.04(d) of the Standby Purchase Agreement commencing with the first such date which is at least 60 days after the Expiration Date.

"Purchased Bond Sale Date", when used with respect to any Purchased Bond, shall mean a date on which such Purchased Bond is sold by the Standby Purchaser pursuant to the Standby Purchase Agreement.

"Purchased Bond Sale Price", when used with respect to a Purchased Bond that is sold by the Standby Purchaser, shall mean the principal amount of such Purchased Bond. Each Purchased Bond Sale Date is also an Interest Payment Date, and the interest payable with respect to a Purchased Bond on such date shall not be considered part of the Purchased Bond Sale Price.

"Purchased Rate" shall have the meaning assigned in the Standby Purchase Agreement; provided, however, that the Purchased Rate shall never exceed the Maximum Rate.

"Purchase Price", when used with respect to a Tendered Bond, shall mean 100% of the principal amount of such Bond plus accrued interest to the Tender Date. If the Tender Date for a Tendered Bond is also an Interest Payment Date for such Bond (other than an Interest Payment Date resulting solely from the purchase of such Bond by the Standby Purchaser), the interest due on such Interest Payment Date shall not be considered part of the Purchase Price; rather, such interest shall be paid in accordance with the provisions of this Indenture governing regular interest payments.

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“**Rating Agency**” shall mean the rating agency or rating agencies which have provided an outstanding rating on the Bonds.

“**Regular Record Date**” shall have the meaning assigned in Section 3.2 hereof.

“**Reserve Fund Credit Facility**” means an irrevocable and unconditional letter of credit, insurance policy or surety bond, including the Surety Bond, the terms of which have been approved by the County, the Bank and the Bond Insurer, issued by a bank or other financial institution, which is acceptable to the County, the Bank and the Bond Insurer, having a long-term credit rating of “A” or better, as determined by S&P which credit facility names the Trustee as the beneficiary thereunder; provided, that any such credit facility must (a) be renewable or extendable on an annual basis; (b) have an initial term of not less than three (3) years; (c) provide that the bank or other financial institution providing such credit facility must notify the Trustee and the County, no less than thirty (30) days in advance of the expiration of the credit facility of its intention not to renew or extend such credit facility; (d) permit the Trustee to make a drawing thereunder to fund the Debt Service Reserve Fund no later than five (5) Business Days prior to the earlier of (1) the expiration date of such credit facility and (2) the date the proceeds of such drawing will be needed to fund the Debt Service Reserve Fund.

“**Reserve Fund Credit Facility Issuer**” shall mean the issuer of the Reserve Fund Credit Facility and shall mean initially as issuer of the Surety Bond.

“**Revenues**” shall mean all receipts, revenues, income and other money received by the County pursuant to the provisions of the Loan Agreement.

“**S&P**” or “**Standard & Poor’s Ratings Group**” mean Standard & Poor’s Ratings Group, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Bank with the approval of the County and the Bond Insurer.

“**Serial Maturity**” shall mean the Maturity of a Bond after the aggregate Maturities of the Bonds have been adjusted pursuant to Section 3.2 hereof to correspond with the remaining scheduled mandatory redemption requirements.

“**Servicing Account**” means the Servicing Account within the Debt Service Fund created pursuant to Article IV of this Indenture.

“**Special Record Date**” shall have the meaning given it in Section 3.2(j) hereof.

“**Standby Purchaser**” shall mean Bank One, National Association, Chicago, Illinois, until a Substitute Standby Purchase Agreement is accepted by the Trustee, and thereafter “Standby Purchaser” shall mean the financial institution obligated to purchase Bonds under such Substitute Standby Purchase Agreement.

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“**Standby Purchase Agreement**” shall mean that certain Standby Bond Purchase Agreement dated December 23, 2003, among the County, the Trustee and the Standby Purchaser, until a Substitute Standby Purchase Agreement is accepted by the Trustee, and thereafter “Standby Purchase Agreement” shall mean such Substitute Standby Purchase Agreement.

“**Standby Purchaser Default**” shall mean any one or more of the following events:

- (a) the Standby Purchaser shall fail to purchase a Tendered Bond after a demand for purchase by the Paying Agent under the terms of the Standby Purchase Agreement; or
- (b) the Standby Purchaser shall declare that it is not obligated to honor future demands for purchase of Tendered Bonds pursuant to the Standby Purchase Agreement; or
- (c) an Act of Bankruptcy shall occur with respect to the Standby Purchaser, or the Standby Purchaser or a receiver (or other similar person with authority to control the disposition of the Standby Purchaser’s assets) shall declare that the Standby Purchaser will not be able to purchase Tendered Bonds pursuant to the Standby Purchase Agreement.

A Standby Purchaser Default shall “exist” if a Standby Purchaser Default shall have occurred and be continuing.

“**State**” means the State of Mississippi.

“**Stated Expiration Date**”, when used with respect to any Standby Purchase Agreement, shall mean the date on which the obligation of the Standby Purchaser to purchase Bonds thereunder will expire by its terms. The Stated Expiration Date of any Standby Purchase Agreement may be extended as provided in Section 4.9 hereof.

“**Substitute Standby Purchase Agreement**” shall mean an agreement for the purchase of Bonds not remarketed that is accepted by the Trustee pursuant to the terms and conditions of Section 4.9 hereof.

“**Surety Bond**” shall mean the reserve fund surety bond issued by Ambac Assurance Corporation guaranteeing certain payments into the Debt Service Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

“**Swap Agreement**” shall mean a written agreement approved as to form and substance by the Bond Insurer between the Bank and a Swap Counterparty whereby the Bank is entitled to receive a floating interest rate payment on a notional amount equal to the principal amount of the Bonds outstanding at the time the Swap Agreement is executed (as such notional amount shall be reduced from time to time in accordance with the terms of the Swap Agreement), on each Swap Payment Date at a floating rate calculated in accordance with the Confirmation of the Swap Agreement, and the Bank is obligated to pay to the Swap Counterparty the Swap Payments.

“**Swap Counterparty**” shall mean a financial institution with debt rated, or its obligations under the Swap Agreement are guaranteed or insured by a financial institution with debt or claims paying ability which is rated, “AA” or better by S&P and “Aa” or better by

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Moody's on the date the Swap Agreement is executed by the Bank and the Swap Counterparty and that is acceptable to the Bond Insurer.

"Swap Payment" shall mean, with respect to a notional principal amount as established pursuant to the Swap Agreement (as reduced from time to time in accordance therewith), an amount payable to the Swap Counterparty, which payment obligation shall be junior and subordinate to payments of debt service due on the Bonds, equal to the amount of interest accruing on such notional amount at a fixed interest rate computed in accordance with the Swap Agreement, but excluding any Termination Payments.

"Swap Payment Date" shall mean the date upon which each Swap Payment is due to the Swap Counterparty, or each Swap Receipt is due to the Bank, which shall be the payment dates defined in the Confirmation to the Swap Agreement.

"Swap Receipts" shall mean the amounts payable by the Swap Counterparty in respect of the notional principal amount pursuant to the terms of the Swap Agreement, including any Termination Payments.

"Tax Intercept Agreement" means that certain Tax Intercept Agreement dated December 23, 2003, by and between the Bank and the County, and accepted by the Trustee, as further described in Section 4.16 hereof.

"Tender Date", when used with respect to Bonds, shall mean an Optional Tender Date or a Mandatory Tender Date, as the case may be.

"Tendered Bonds", when used with respect to Bonds, shall mean Bonds tendered (or deemed tendered) for purchase pursuant to the Optional Tender or Mandatory Tender provisions of this Indenture.

"Termination Payment" shall mean an amount payable by the Bank or the Swap Counterparty upon termination or partial termination of a Swap Agreement, which payment(s) shall be junior and subordinate to payments of debt service due on the Bonds.

"Term Rate", when used with respect to any Bond in the Term Rate Mode, shall mean the fixed interest rate borne by such Bond during a Term Rate Period.

"Term Rate Interest Payment Date", when used with respect to any Bond in the Term Rate Mode, shall mean a date on which interest calculated according to a Term Rate is payable on such Bond.

"Term Rate Mode", when used with respect to the Bonds, shall mean the Interest Rate Mode in which a Bond bears interest at the Term Rate.

"Term Rate Period", when used with respect to any Bond in the Term Rate Mode, shall mean a period during which such Bond bears interest at a Term Rate established for such period.

"Trust Estate" means all the property assigned by the Bank to the Trustee pursuant to this Indenture as security for the Bonds.

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“Trustee” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, initially Hancock Bank, Gulfport, Mississippi.

“2000 Indenture Trustee” shall mean Hancock Bank, as Trustee under that certain Indenture of Trust dated as of May 1, 1999 by and between the Bank and the Trustee.

“2000 Loan Agreement” shall mean that certain Loan Agreement dated December 18, 2000 by and between the Bank and the County, pursuant to which the County issued the Bank the 2000 Note to secure the County’s obligations thereunder; the County used the proceeds of the December 18, 2000 loan to provide funds for purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and related facilities, including the constructing and equipping of an Enhanced 911 Service building, and purchasing machinery and equipment and other capital projects.

“2000 Note” shall mean the \$15,000,000 Promissory Note of the County dated December 18, 2000, issued to secure the 2000 Loan Agreement.

“Un surrendered Bond”, when used with respect to the Bonds, shall mean a Bond (or portion thereof) which is deemed purchased pursuant to the Optional Tender or Mandatory Tender provisions hereof, but which has not been presented to the Paying Agent by the Holder thereof.

“Weekly Rate”, when used with respect to any Bond in the Weekly Rate Mode, shall mean the variable interest rate borne by such Bond while such Bond is in the Weekly Rate Mode.

“Weekly Rate Interest Payment Date”, when used with respect to any Bond in the Weekly Rate Mode, shall mean a date on which interest calculated at the Weekly Rate is payable on such Bond.

“Weekly Rate Mode”, when used with respect to the Bonds, shall mean the Interest Rate Mode in which a Bond bears interest at the Weekly Rate.

SECTION 1.2 Rules of Construction. 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, the word “person” shall include the plural as well as the singular number, and “person” shall mean any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Provisions calling for the redemption of Bonds or the calling of Bonds for redemption do not mean or include the payment of Bonds at their stated maturity or maturities.

All references in this Indenture to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this Indenture.

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The words "herein", "hereof", "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

ARTICLE II.
GRANTING CLAUSES

SECTION 2.1 Granting Clauses. In consideration of the acceptance by the Trustee of the trusts and duties set forth in this Indenture on behalf of the owners of all Bonds issued and secured hereunder; of the purchase and acceptance of the Bonds issued and secured by this Indenture by the owners thereof, of the payment of the purchase price of the Bonds to the Trustee for application as provided hereinafter; and in order to secure the payment of any and all Bonds at any time Outstanding hereunder, according to the tenor and effect thereof and the premium, if any, and interest thereon, the payment of all costs, fees and charges specified herein, and the payment of all other sums if any, from time to time due to the owners of all Bonds secured hereunder and to the Trustee or its successors and, assigns, or to others, according to the intent and meaning of all such Bonds and this Indenture, and for the purpose of securing the performance and observance by the Bank of all the covenants and conditions herein contained, the Bank does hereby **TRANSFER, ASSIGN AND DELIVER TO AND IN FAVOR OF** the Trustee and Bond Insurer, and its successor or successors in trust, for the benefit of the owners of all Bonds secured hereunder, its interest in the following described properties, rights, interests and benefits which are collectively called the "Trust Estate":

(a) All right, title and interest of the Bank in, to and under the Note and the Loan Agreement including the interest of the Bank in and to all Note Payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Bank under the Note and the Loan Agreement including, without limitation, the payments to be paid by the County to the Trustee as assignee of the Bank pursuant to the form of the Note contained in the Loan Agreement, saving and excepting, however, the Bank's rights to exculpation, indemnification and payment of expenses by the County under the Loan Agreement;

(b) All cash, moneys, securities and investments which may at any time and from time to time, pursuant to the provisions of this Indenture, be paid to the Trustee or be in the hands of the Trustee, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in this Indenture, provided, however, that the Rebate Fund shall not be pledged and nothing in this Indenture shall be construed to affect any property held by the Trustee in any capacity other than as Trustee hereunder; and

(c) To the extent not covered by the clauses above, all proceeds of any and all of the foregoing.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successor or successors and assigns forever; in trust, nevertheless subject to the terms and conditions and trusts herein set forth, for the equal benefit security and protection of all and singular the present and future owners of all of the Bonds issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise, except as may otherwise be provided herein, of any one Bond over any other Bond or of principal over interest or interest over principal, all as herein provided, and for the uses and purposes, and upon the terms, agreements and conditions set forth herein.

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The Trust Estate assigned hereunder is also assigned to secure the payment of any and all sums which the Trustee may expend or become obligated to expend (including but not limited to court costs and attorneys' fees) to preserve and protect any of the Trust Estate or to secure any of the obligations of the County under the Note and the Loan Agreement, including any default or incident of delay in payment of sums and the performance the County's obligations thereunder, or in pursuing or exercising any right, rights, remedy or remedies consequent upon the default of the County thereunder.

The Trust Estate assigned hereunder is also assigned to secure the payment of the Swap Payments owing by the Bank under the Swap Agreement, the payment of Termination Payments under the Swap Agreement, and other obligations of the Bank under the Swap Agreement; provided, however, the payment of Swap Payments, Termination Payments and other obligations of the Bank under the Swap Agreement shall be junior and subordinate to payment of debt service on the Bonds.

Further, this Indenture and the rights created hereby shall not cease, terminate and be void as provided in Article XII hereof until the Swap Payments and all other amounts owed by the Bank to the Swap Counterparty under the Swap Agreement (including any Termination Payment) shall have been paid or cause to be paid in accordance with the Swap Agreement.

PROVIDED, HOWEVER, that if the Bank, its successors or assigns, shall well and truly pay, or cause to be paid, or provide for the payment pursuant to the provisions of this Indenture, the principal of the Bonds, premium, if any, and the interest due or to become due thereon, at the times and in the manner set forth in the Bonds and this Indenture, according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all the covenants and agreements as provided in and pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon such performance and payments this Indenture and the rights created hereby shall cease, terminate and be void as provided in Article XII hereof, otherwise this Indenture shall be and remain in full force and effect.

The Bank hereby covenants and agrees with, and does hereby covenant unto the Trustee, that it has good right and lawful authority to transfer and assign the Trust Estate to the extent and in the manner herein provided; that the Bank will not suffer any lien or encumbrance to exist upon the Trust Estate, or any part thereof, superior to the security or lien to accrue or be created under this Indenture; or do or suffer any act or thing whereby the security hereof may be diminished or impaired; and the Bank further does covenant, and by these presents hereby covenants and agrees to defend or cause to be defended forever the title to each and every part of said Trust Estate against the claims and demands of all persons whomsoever.

THIS INDENTURE FURTHER WITNESSETH and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all of said Trust Estate hereby conveyed, transferred, assigned, confirmed, pledged and encumbered is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Bank has

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agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective owners, from time to time, of the Bonds, or any part thereof as follows:

ARTICLE III.
AUTHORIZATION, TERMS AND CONDITIONS OF BONDS

SECTION 3.1 Bonds Issuable Under this Article Only. No Bonds may be issued under the provisions of this Indenture except in accordance with the provisions of this Article.

SECTION 3.2 Authorization of Bonds.

(a) Issuance. There is hereby authorized and issued under this Indenture \$_____ aggregate principal amount of bonds to be known as "Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSI Loan Program - Harrison County, Mississippi 2003 Refunding Project)" to be issued for the purpose of paying the costs of the Refunding Project, funding a Debt Service Reserve Fund and paying for the costs of issuance of the Bonds and the Note.

(b) Authorized Denominations. The Bonds shall be in the following denominations: (1) for Bonds in the Weekly Rate Mode and Bonds in the Term Rate Mode for a Term Rate Period of 270 days or less, \$100,000 or any larger amount that is a multiple of \$5,000, and (2) for Bonds in the Term Rate Mode for a Term Rate Period of more than 270 days, \$5,000 or any multiple thereof.

(c) Form and Number. The Bonds shall be issuable as fully registered bonds without coupons in Authorized Denominations. The Bonds shall be numbered separately from 1 upward. The Bonds and the certificate of authentication shall be substantially as set forth in **EXHIBIT A**, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) Maturity. The Bonds shall mature on _____ 1, 20___; provided, however, that the Paying Agent shall assign Serial Maturities to all Outstanding Bonds upon request of the County, subject to the following requirements:

(1) No Purchased Bonds may be Outstanding at the time Serial Maturities are assigned.

(2) Assignment of Serial Maturities may only be effected in connection with a conversion of all Outstanding Bonds to a Term Rate for Term Rate Periods extending to their respective Maturities.

(3) Serial Maturities may include one or more term bonds, so long as the resulting schedule for retirement of principal corresponds to the schedule for principal retirement contained in this Indenture (taking into account the mandatory redemption schedule).

(4) The Trustee, as the Paying Agent, shall establish a procedure it determines to be fair and appropriate, by lot or otherwise, for selecting and identifying Bonds to reflect the assignment of Serial Maturities.

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(5) The Trustee, as the Paying Agent, shall notify Holders of Bonds and Financing Participants of the results of such procedure.

(e) Date. The Bonds shall be dated the date of initial delivery of the Bonds.

(f) Interest Rates. Each Bond shall bear interest at the Weekly Rate or the Term Rate, as provided in Section 3.5 hereof. Purchased Bonds shall bear interest at the Purchased Rate while such Bonds are owned by the Standby Purchaser, as provided in Section 4.12 hereof; however, the Purchased Rate is not considered a separate Interest Rate Mode for purposes of this Article. Different Bonds may be in different Interest Rate Modes at the same time. All Bonds shall initially be issued in the Weekly Rate Mode. Bonds may from time to time be converted to a different Interest Rate Mode, as provided in Section 3.6 hereof. The Paying Agent shall specify on each Bond certificate, in the space provided, which Interest Rate Mode is in effect with respect to such Bond. If a Term Rate is in effect with respect to a Bond, the Paying Agent shall also specify on the certificate for such Bond the Term Rate and the beginning and end of the Term Rate Period.

(g) Interest Payment Dates. Interest shall be payable in arrears on the following dates:

(1) with respect to interest on any Bond payable at the Weekly Rate, (A) on the first Business Day of each month, commencing February 2, 2004, and (B) on the effective date of conversion of such Bond from the Weekly Rate Mode to a Term Rate Mode;

(2) with respect to interest on any Bond payable at a Term Rate for a Term Rate Period of 270 days or less, on the last day of the Term Rate Period; and

(3) with respect to interest on any Bond payable at the Term Rate for any Term Rate Period of more than 270 days, (A) on June 1 and December 1 in each year and (B) on the last day of the Term Rate Period.

(h) Regular Record Date. The interest due on any Interest Payment Date for the Bonds shall be payable to the Holder as of the Regular Record Date for such Interest Payment Date. The Regular Record Date for the payment of interest on the Bonds shall be: (1) with respect to any Weekly Rate Interest Payment Date, the day immediately prior to such Weekly Rate Interest Payment Date, (2) with respect to any Term Rate Interest Payment Date for a Term Rate Period of 1 year or less, the day immediately prior to such Term Rate Interest Payment Date, and (3) with respect to any Term Rate Interest Payment Date for a Term Rate Period of more than 1 year, the 15th day (whether or not a Business Day) of the month next preceding such Term Rate Interest Payment Date.

(i) Computation of Interest Accrual. The Bonds shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Article. Interest at the Weekly Rate and interest at the Term Rate for any Term Rate Period of 1 year or less shall be computed on the basis of a 365-day or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Term Rate for any

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Term Rate Period of more than 1 year shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(j) Interest on Overdue Payments. Interest shall be payable on overdue principal on the Bonds and (to the extent legally enforceable) on any overdue installment of interest on the Bonds at the Maximum Rate.

The principal of the Bonds shall be payable to the registered owners thereof upon surrender of the Bonds at the principal corporate trust office of the Trustee. The interest on the Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address(es) as they appear on the Bond Register maintained by the Trustee at the close of business on the applicable Regular Record Date irrespective of any transfer or exchange of the Bonds subsequent to such Regular Record Date and prior to such Interest Payment Date, unless the Bank shall default in payment of interest due on such Interest Payment Date, provided that the Bank or owners of \$1,000,000 or more in aggregate principal amount of Bonds may request payment by wire transfer if such Bank or owners, as applicable, have requested such payment in writing to the Trustee, which request shall be made no later than the Regular Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Regular Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a Special Record Date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not less than 15 days preceding such Special Record Date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

SECTION 3.3 Form of Bonds. The Bonds issued under this Indenture shall be substantially in the form set forth in **EXHIBIT A** attached hereto and made a part hereof with such appropriate variations, additions, omissions and insertions as are permitted or required by this Indenture. All Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or of any securities exchange on which the Bonds may be listed or any usage or requirement of law with respect thereto. All Bonds may bear identifying CUSIP numbers, but any failure to include such numbers or any error in any CUSIP number so included shall not in any way affect the validity of the Bonds.

SECTION 3.4 Redemption of Bonds.

(a) The Bonds are subject to redemption prior to Maturity as follows:

(1) Optional Redemption. Bonds may be redeemed at the option of the Bank upon direction from the County as follows:

(A) On any date when a Bond is in the Weekly Rate Mode and on any Conversion Date with respect to a Bond, such Bond may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption.

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(B) During any Term Rate Period of 5 years or less with respect to a Bond, such Bond shall not be subject to optional redemption. During any Term Rate Period of more than 5 years with respect to a Bond, such Bond may be redeemed in whole or in part on or after the First Optional Call Date (as defined below) at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the First Optional Call Date but prior to the first anniversary of the First Optional Call Date; 1% if the date of redemption is on or after the first anniversary of the First Optional Call Date but prior to the second anniversary of the First Optional Call Date; and without premium if the date of redemption is on or after the second anniversary of the First Optional Call Date. For any Term Rate Period of more than 5 years but not more than 10 years, the First Optional Call Date shall be the fifth anniversary of the beginning of the Term Rate Period. For any Term Rate Period of more than 10 years but not more than 20 years, the First Optional Call Date shall be the anniversary of the beginning of the Term Rate Period that is on or immediately after the midpoint of such Term Rate Period. For any Term Rate Period of more than 20 years, the First Optional Call Date shall be the tenth anniversary of the beginning of the Term Rate Period.

(C) So long as any Swap Agreement is in effect, no optional redemption of Bonds pursuant to this Section 3.4(a)(1) shall be effected unless any Termination Payment due in respect of such termination of the Swap Agreement has been paid in accordance with the Swap Agreement. Upon the deposit of moneys for the optional redemption of the Bonds in whole or in part under this Section 3.4(a)(1), the Trustee shall provide notice thereof to the Calculation Agent under any Swap Agreement within three (3) Business Days of such deposit and request that the Calculation Agent under the Swap Agreement determine the Termination Payment due in respect of a notional amount equal to such original principal amount of Bonds to be redeemed. In the event funds are deposited for the full redemption of Bonds pursuant to an optional redemption of Bonds under this Section 3.4(a)(1), the Bank shall provide for a full termination of the Swap Agreement and shall apply such moneys (including any Termination Payment receivable by the Bank in respect thereto) to the redemption of such Bonds (and to the payment of any Termination Payments payable to the Swap Counterparty) on the next possible date upon which Bonds may be redeemed.

(2) **Scheduled Mandatory Redemption.** Unless Serial Maturities have been assigned to the Bonds, the Bonds shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on December 1 in years and in principal amounts (after credit as provided below) as follows:

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Redemption Date (December 1)	Amount	Redemption Date (December 1)	Amount
2004	\$	2014	\$
2005		2015	
2006		2016	
2007		2017	
2008		2018	
2009		2019	
2010		2020	
2011		2021	
2012		2022	
2013		2023	

Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Paying Agent shall proceed to select for redemption, first any Purchased Bonds and then by lot, Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Bonds or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Paying Agent not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Bonds scheduled for redemption on such date: (A) the principal amount of Bonds delivered by the County to the Paying Agent for cancellation and not previously claimed as a credit; (B) the principal amount of Bonds previously redeemed (other than Bonds redeemed pursuant to this paragraph) and not previously claimed as a credit; and (C) the principal amount of Bonds otherwise deemed "fully paid" and not previously claimed as a credit.

(3) **Mandatory Redemption of Purchased Bonds.** Section 4.12(c)(2) provides for special mandatory redemption of Purchased Bonds.

Notwithstanding other provisions of the Indenture and this Section 3.4, (i) if the Standby Purchase Agreement is in effect when any right of optional redemption is to be exercised, the County may not exercise such right of optional redemption unless the notice of redemption is accompanied by an Opinion of Counsel acceptable to the Rating Agency stating in effect that upon the occurrence of an Act of Bankruptcy with respect to the County, the redemption price paid to Bondholders will not be recoverable from the Paying Agent or Bondholders under provisions of the Federal Bankruptcy Code relating to voidable preferences, (ii) all Purchased Bonds that are eligible for redemption shall be redeemed before any other eligible Bonds are selected for redemption, (iii) Bonds in the Weekly Rate Mode must be selected for scheduled

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mandatory redemption before any Bonds in the Term Rate Mode are selected for such redemption and (iv) the County agrees to cause any money to be used for the optional redemption of Bonds to be held uninvested or invested only in securities of the United States of America from the date of notice of such redemption until the redemption date, to the extent the County may direct such investment. The notice of redemption shall also state that the redemption shall occur only to the extent of moneys available for said redemption.

(b) Partial Redemption of Bonds.

(1) Subject to the provisions hereof relating to the order of redemption for Purchased Bonds and Bonds in different Interest Rate Modes, if less than all Bonds Outstanding are to be redeemed, the principal amount of Bonds of each maturity to be redeemed may be specified by the County by written notice to the Paying Agent, or, in the absence of timely receipt by the Paying Agent of such notice, shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate; provided, however, that the principal amount of Bonds of each Maturity to be redeemed may not be larger than the principal amount of Bonds of such Maturity then eligible for redemption and may not be smaller than the smallest Authorized Denomination.

(2) Subject to the provisions hereof relating to the order of redemption for Purchased Bonds and Bonds in different Interest Rate Modes, if less than all Bonds with the same maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Bonds of such Maturity of a denomination larger than the smallest Authorized Denomination.

(3) Upon any partial redemption of any Bond, the same shall, except as otherwise permitted herein, be surrendered in exchange for one or more new Bonds of the same Maturity and interest rate and in authorized form for the unredeemed portion of principal.

(c) Notice of Redemption. Upon receipt by the Trustee of notice from the Issuer, as directed by the County, at least forty-five (45) days prior to the redemption date that the Bonds shall be redeemed as provided herein (except for scheduled mandatory redemptions, which shall not require any such notice from the Issuer to the Trustee), notice of redemption shall be mailed by the Trustee by first class mail at least thirty (30) days but not more than forty-five (45) days before the redemption date to each holder of the Bonds (or, if the Bonds are held in the Book Entry System, to the Securities Depository in accordance with its rules and procedures) to be redeemed in whole or in part at such holder's last address appearing on the registration books, but no defect in or failure to give such notice of redemption shall affect the validity of the redemption. All Bonds so called for redemption will cease to bear interest on the specified date set for redemption provided funds for their redemption have been duly deposited with the Trustee and, thereafter, the holders of such Bonds called for redemption shall have no

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rights in respect thereof except to receive payment of the redemption price from the Trustee and a new Bond for any portion not redeemed.

SECTION 3.5 Determination of Interest Rates and Term Rate Periods.

(a) **Weekly Rate.** The Weekly Rate shall be a fluctuating rate per annum determined periodically by the Remarketing Agent while Bonds are in the Weekly Rate Mode, subject to the following terms and conditions:

(1) The Weekly Rate shall be determined (A) on the date of initial delivery of the Bonds, (B) on the date of conversion of any Bonds to the Weekly Rate Mode, and (C) on the last Business Day before each Thursday.

(2) Interest accrual at the Weekly Rate so determined shall begin on (and shall include) (A) the date of determination, if such date is the date of initial delivery or a Conversion Date, or (B) the Thursday following the date of determination, and shall end on (but shall not include) the next Thursday (or, if sooner, a Conversion Date); provided, however, that if the Remarketing Agent fails to determine the Weekly Rate on any such determination date, the immediately preceding Weekly Rate shall be deemed to be the rate determined.

(3) The Weekly Rate with respect to the Bonds shall be determined by the Remarketing Agent and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Bonds being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date; provided, however, that the Weekly Rate may never exceed the Maximum Rate.

(4) On each Weekly Rate determination date the Remarketing Agent shall give telephonic notice promptly followed by written notice to the Paying Agent of the Weekly Rate so determined. Upon the request of the Holder of any Bond or any Financing Participant, the Paying Agent shall confirm (by telephone and in writing, if so requested) the Weekly Rate then in effect.

(b) **Term Rate and Term Rate Periods.** The Term Rate for any Bond in the Term Rate Mode shall be a fixed rate per annum determined by the Remarketing Agent for a Term Rate Period specified for such Bond by the County, subject to the following terms and conditions:

(1) The duration of a Term Rate Period shall be limited as follows:

(A) A Term Rate Period shall be for any period of 30 or more days.

(B) A Term Rate Period (other than a Term Rate Period extending to Maturity) must end on a Business Day. If the final day of a Term Rate Period specified by the County is not in fact a Business Day, then such Term Rate Period shall be deemed to extend to the next day that is a Business Day.

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(C) If any Standby Purchase Agreement is to be effective during the Term Rate Period, the Standby Purchase Agreement must provide for payment of interest on the Bonds in an amount equal to interest at the Maximum Rate (i) for 183 days (computed on the basis of a 360-day year) if the Term Rate Period is more than 270 days or (ii) for the actual number of days in the Term Rate Period if the Term Rate Period is 270 days or less (computed on the basis of a 365-day or 366-day year, as the case may be).

(D) If any Standby Purchase Agreement is to be effective during the Term Rate Period, the Term Rate Period must end at least 5 days prior to the Stated Expiration Date of the Standby Purchase Agreement.

(2) After receipt of notice that a Term Rate is to be established with respect to any Bond, but not later than the last Business Day prior to the proposed Conversion Date, the Remarketing Agent shall determine the interest rate for the Term Rate Period, which shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Bond being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date, and assuming that the Term Rate Period began on such date; provided, however, that the Term Rate may not exceed the Maximum Rate.

(3) Interest accrued at the Term Rate for any Term Rate Period shall begin on (and shall include) the first day of the Term Rate Period and shall end on (but shall not include) the last day of the Term Rate Period.

(4) The Remarketing Agent shall give electronic or telephonic notice to the Paying Agent of the Term Rate so determined, and shall promptly confirm such notice in writing. Upon the request of the Holder of the Bond or any Financing Participant, the Paying Agent shall confirm (by telephone and in writing, if so requested) the Term Rate so determined.

(c) **Rate Determinations Conclusive.** The interest rates determined by the Remarketing Agent as provided in this Section shall be conclusive and binding on the Financing Participants.

SECTION 3.6 Conversion of Interest Rate Mode.

(a) **Automatic Conversion to Weekly Rate Mode.** The Interest Rate Mode on a Bond shall automatically convert to the Weekly Rate Mode on the last day of a Term Rate Period, unless the Interest Rate Mode is effectively converted on such date to the Term Rate Mode for an additional Term Rate Period. In addition, a Bond shall remain in the Weekly Rate Mode notwithstanding a notice of conversion to the Term Rate Mode if the County revokes its election to effect the conversion, as permitted in this Section, or the conditions for such conversion are not satisfied.

(b) **Optional Conversion to Another Interest Rate Mode.** At the option of the County, any Bond may be converted from one Interest Rate Mode to another Interest Rate Mode,

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and a new Term Rate Period may be established upon the expiration of any existing Term Rate Period, subject to the following terms and conditions:

(1) The County must give the other Financing Participants notice of such conversion not less than 20 days prior to the proposed Conversion Date. Such notice must specify (A) the Interest Rate Mode to which such Bond is being converted, (B) the Conversion Date and (C) the principal amount and the certificate number of the Bond for which the conversion is requested.

(2) Less than the entire principal amount of a Bond may be converted if both the amount converted and the remaining portion of such Bond will be in Authorized Denominations.

(3) If the Bond is being converted from the Weekly Rate Mode, the Conversion Date may be any Business Day. If the Bond is being converted from the Term Rate Mode, the Conversion Date must be the last day of the Term Rate Period.

A notice from the County of conversion to the Term Rate Mode may provide that successive Term Rate Periods of specified length shall be established with respect to a Bond. If such a notice is delivered, no additional notice of conversion shall be required from the County prior to the Term Rate Periods so specified. Any such notice may be revoked as provided in Section 3.6(c) below, but the revocation shall be applicable only with respect to Term Rate Periods that would have commenced after the date of the notice of revocation.

(c) **Revocation of Election.** The County may, at its option, revoke the election to convert a Bond from the Weekly Rate Mode to the Term Rate Mode (or to establish successive Term Rate Periods) by notice delivered to the other Financing Participants before such Bond is delivered to the Holder in the new Interest Rate Mode, but in any event no later than the Paying Agent's close of business on the Conversion Date. In addition, the election to convert shall automatically be deemed revoked if the Remarketing Agent fails to establish the Term Rate or the Paying Agent does not receive confirmation from the Remarketing Agent that such Bond has been remarketed in the Term Rate Mode before the close of business on the proposed Conversion Date. The County's right to revoke an election pursuant to this Section shall not affect any rights or remedies that the Remarketing Agent may have against the County pursuant to any bond purchase agreement, placement or remarketing agreement, or other agreement entered into by the Remarketing Agent in connection with the proposed conversion.

(d) **Mandatory Tender Notwithstanding Failed Conversion.** If a notice of Mandatory Tender is given by the Paying Agent in connection with a proposed conversion of a Bond to another Interest Rate Mode, such Bond shall be subject to a Mandatory Tender on such date notwithstanding the revocation of the election to effect such conversion or the failure to satisfy the conditions for such conversion.

(e) **Consent of Bond Insurer.** Prior to Conversion to any Interest Rate Mode, the County shall obtain the written consent of the Bond Insurer.

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SECTION 3.7 Optional Tenders.

(a) The Holder of any Bond shall have the right to tender such Bond to the Paying Agent for purchase in whole or in part on any Business Day while such Bond is in the Weekly Rate Mode (but not while such Bond is in the Term Rate Mode). In order to exercise such option with respect to any Bond, the Holder thereof must deliver notice thereof to the Paying Agent, as provided below in this Section, at least 7 days prior to the proposed Optional Tender Date.

(b) Any such notice of Optional Tender must be duly executed by the Bondholder and must specify (1) the name of the registered Holder of the Bond to be tendered for purchase, (2) the Optional Tender Date, (3) the certificate number and principal amount of such Bond, and (4) the principal amount of such Bond to be purchased (if such amount is less than the entire principal amount, both the amount to be purchased and the amount remaining must be in an Authorized Denomination). The notice of Optional Tender must be substantially as set forth in **EXHIBIT B** hereto or in such other form as shall be acceptable to the Paying Agent. The Paying Agent shall promptly forward a copy of such notice to the other Financing Participants.

(c) If any notice of Optional Tender specifies an Optional Tender Date that is not a Business Day, then such notice shall be deemed to specify the next following Business Day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Bond is being tendered for purchase, the Holder will be deemed to have tendered the Bond in its entire principal amount for purchase.

(d) Upon delivery of a written notice of Optional Tender, the election to tender shall be irrevocable and binding upon such Holder and may not be withdrawn. The Paying Agent shall, in its sole discretion, determine whether, with respect to any Bond, the Holder thereof shall have properly exercised the option to have his Bond purchased pursuant to this Section.

(e) If a written notice of Optional Tender shall have been duly given with respect to any Bond, the Holder of such Bond shall deliver such Bond to the Office of the Paying Agent on the Optional Tender Date, together with all necessary endorsements for transfer. If only a portion of such Bond is to be purchased (as a result of the exercise of the Optional Tender right only with respect to such portion), the Bank shall execute and the Paying Agent shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Bond surrendered. Any Bond (or portion thereof) that is to be so purchased but that is not so delivered to the Paying Agent (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered by the Holder thereof on the Optional Tender Date.

(f) On each Optional Tender Date the Paying Agent shall pay to the Holder of each Bond (or portion thereof) properly tendered for purchase an amount equal to the Purchase Price. Funds for payment of the Purchase Price of such Bonds shall be drawn by the Paying Agent from the Bond Purchase Fund as provided in this Indenture.

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(g) If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to have been tendered for purchase and purchased from the Holder thereof on such Optional Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the Optional Tender Date. The Paying Agent shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bond which is not tendered for purchase on any Optional Tender Date and, upon receipt by the Paying Agent of any such Unsurrendered Bond from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Bond to the Holder thereof and cancel such Unsurrendered Bond.

(h) Bondholders may exercise Optional Tender rights notwithstanding the existence of an Event of Default hereunder.

(i) If the Trustee receives notice that an event of default exists under Sections 8.01(a) through (d) and (f) through (i) of the Standby Purchase Agreement, or the Trustee receives notice that the Standby Purchaser is no longer obligated to purchase Bonds under the terms of Article II of the Standby Purchase Agreement, the Trustee shall promptly notify the Bondholders and the other Financing Participants that such notice has been received and that Bonds tendered for purchase pursuant to the Optional Tender provisions of the Indenture will no longer be purchased by the Standby Purchaser. The Bonds shall nevertheless be subject to Optional Tender under such circumstances in accordance with this Section, but the Purchase Price of Bonds so tendered will be paid only from Remarketing Proceeds or funds deposited in the Bond Purchase Fund by the County pursuant to Section 4.1(f) hereof.

SECTION 3.8 Mandatory Tenders.

(a) The Holder of each Bond shall be required to tender such Bond to the Trustee for purchase on the following dates:

- (1) Each Conversion Date with respect to such Bond.
- (2) The last day of a Term Rate Period with respect to such Bond.
- (3) 20 days after the Trustee receives written notice from the Standby Purchaser stating that an event of default, as defined in the Standby Purchase Agreement, has occurred and is continuing under Section 8.01(e) of the Standby Purchase Agreement.
- (4) On any date proposed for delivery of a Substitute Standby Purchase Agreement pursuant to Section 4.9 hereof.
- (5) 5 days prior to the Stated Expiration Date of the Standby Purchase Agreement or cancellation of the Standby Purchase Agreement pursuant to Section 4.10 hereof.
- (6) 20 days after the Trustee receives written notice from the Bond Insurer (A) stating that the senior unsecured short-term debt rating of the Standby Purchaser has been reduced below "A-1" by S&P or withdrawn for a period of not less than 90 days,

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(B) stating that the County has not delivered a Substitute Standby Purchase Agreement meeting the requirements of the Indenture, and (C) directing the Trustee to effect a Mandatory Tender of the Bonds pursuant to the provisions of this Section.

(7) 20 days after the Trustee receives written notice from the Standby Purchaser (A) stating that the financial strength rating of the Bond Insurer by S&P has been reduced below the second highest rating category or withdrawn for a consecutive period of not less than 90 days and (B) directing the Trustee to effect a Mandatory Tender of the Bonds pursuant to the provisions of this Section.

If any of such dates is not a Business Day, the Mandatory Tender Date shall be the next succeeding Business Day.

(b) No notice is required for a Mandatory Tender on the last day of a Term Rate Period. Notice of any other Mandatory Tender shall be given by the Paying Agent by registered or certified mail, mailed to the Holder of each affected Bond not less than 15 days prior to the Mandatory Tender Date. Such notice of Mandatory Tender shall

- (1) specify the Mandatory Tender Date,
- (2) state the reason for the Mandatory Tender (that is, the applicable event listed in Section 3.8(a) above),
- (3) state the amount of such Bond subject to Mandatory Tender, and
- (4) state that such Bond shall be delivered by the Holder thereof to the office of the Paying Agent on such Mandatory Tender Date, together with all necessary endorsements for transfer, and that such Bond (or the portion thereof to be purchased) shall be purchased on such Mandatory Tender Date at a Purchase Price equal to 100% of the principal amount thereof plus accrued interest, if any, and that if such Bond is not so delivered to the Paying Agent such Bond (or the portion thereof to be purchased) shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

(c) Any Bond subject to Mandatory Tender shall be tendered by the Holder thereof for purchase on the Mandatory Tender Date, by delivering such Bond to the office of the Paying Agent, together with all necessary endorsements for transfer. If only a portion of such Bond is to be purchased (as a result of conversion of only a portion of such Bond to another Interest Rate Mode), the Bank shall execute and the Paying Agent shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Bond surrendered. Any such Bond (or portion thereof) that is to be so purchased but that is not so delivered to the Paying Agent on the Mandatory Tender Date (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

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(d) On the Mandatory Tender Date with respect to any Bond, the Paying Agent shall pay to the Holder of such Bond an amount equal to the Purchase Price. Funds for payment of the Purchase Price of such Bond shall be drawn by the Paying Agent from the Bond Purchase Fund as provided in Section 4.1(f) of this Indenture.

(e) If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to be tendered for purchase and purchased from the Holder thereof on such Mandatory Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the relevant Mandatory Tender Date. The Paying Agent shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bond which is not tendered for purchase on any Mandatory Tender Date and, upon receipt by the Paying Agent of any such Unsurrendered Bond from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Bond to the Holder thereof and cancel such Unsurrendered Bond.

(f) After notice of a Mandatory Tender has been given by the Paying Agent with respect to any Bond, such Bond shall be subject to Mandatory Tender notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

(g) If the Trustee receives notice that an event of default exists under Sections 8.01(a) through (d) and (f) through (i) of the Standby Purchase Agreement, or the Trustee receives notice that the Standby Purchaser is no longer obligated to purchase Bonds under the terms of Article II of the Standby Purchase Agreement, the Trustee shall promptly notify the Bondholders and the other Financing Participants that such notice has been received and that Bonds tendered for purchase pursuant to the Mandatory Tender provisions of the Indenture will no longer be purchased by the Standby Purchaser. The Bonds shall nevertheless be subject to Mandatory Tender under such circumstances in accordance with this Section, but the Purchase Price of Bonds so tendered will be paid only from Remarketing Proceeds or funds deposited in the Bond Purchase Fund by the County pursuant to Section 4.1(f) hereof.

(h) If the Trustee receives notice under Section 9.01 of the Standby Purchase Agreement (relating to an event of default under Section 8.01(e) thereof), the Trustee shall cause the Paying Agent to effect a Mandatory Tender pursuant to Section 3.8 hereof.

SECTION 3.9 Purchase and Remarketing of Bonds.

(a) The Remarketing Agent will use its best efforts to remarket all Tendered Bonds in accordance with the provisions of this Section; provided, however, that:

(1) The Remarketing Agent shall not remarket Bonds to the County or to any Affiliate of the County or to the Bank.

(2) The County may direct the Remarketing Agent to cease remarketing efforts.

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(3) A Purchased Bond may not be remarketed unless the Available Commitment is reinstated with respect to such Bond under the terms of the Standby Purchase Agreement.

(4) If the Bonds will no longer be secured by the Standby Purchase Agreement, Tendered Bonds may not be remarketed unless the Paying Agent receives an Opinion of Counsel satisfactory to the Trustee stating in effect that remarketing will be in compliance with applicable federal and state securities laws.

(5) If the Bonds were purchased pursuant to a Mandatory Tender required by Section 3.8(a)(3) or 3.8(a)(5) hereof, such Bonds may not be remarketed without the written consent of the Standby Purchaser.

(6) If the Bonds were purchased pursuant to a Mandatory Tender required by Section 3.8(a)(4), such Bonds may not be remarketed unless (i) a Substitute Standby Purchase Agreement meeting the requirements of this Indenture is delivered or (ii) the Bond Insurer provides its written consent.

(b) Promptly after arranging for the remarketing of any Bond the Remarketing Agent shall give the Paying Agent notice specifying, with respect to the purchaser of such Bond, (1) such purchaser's name, address and taxpayer identification number and (2) the principal amount and denomination of the Bond to be purchased. The Remarketing Agent shall make appropriate settlement arrangements with the purchaser of such remarketed Bond and shall direct such purchaser by appropriate instructions to pay the Purchase Price of such Bond to the Paying Agent. The Paying Agent shall deposit all Remarketing Proceeds in the Bond Purchase Fund. All Remarketing Proceeds shall be held in a separate, segregated account in the Bond Purchase Fund and shall not be commingled with other money in the Bond Purchase Fund.

(c) On the Tender Date with respect to any Bond (or portion thereof) the Paying Agent shall pay the Purchase Price to the Holder of such Bond. The Paying Agent shall pay such Purchase Price from money on deposit in the Bond Purchase Fund; provided, that the Paying Agent shall not pay the Purchase Price of any Unsurrendered Bond, unless and until the Holder of such Unsurrendered Bond presents such Unsurrendered Bond to the Paying Agent. Any Bond so delivered to the Paying Agent after 3:00 o'clock p.m. on a Business Day shall be deemed delivered on the following Business Day.

(d) The Paying Agent shall hold any Bond delivered to it pursuant to the Optional Tender or Mandatory Tender provisions hereof in trust solely for the benefit of the Holder who shall have so delivered such Bond until money representing the Purchase Price of such Bond shall have been delivered to or for the account of such Holder.

(e) When the Purchase Price of any Tendered Bond is paid to the Holder (or, in the case of Unsurrendered Bonds, such Purchase Price is available to such Holder at the Office of the Paying Agent), such Bond shall be registered and delivered by the Paying Agent as follows:

(1) If the Purchase Price of such Bond was paid with Remarketing Proceeds, such Bond shall be registered and delivered in accordance with the instructions of the Remarketing Agent.

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(2) If the Purchase Price of such Bond was paid with money deposited in the Bond Purchase Fund by the County, such Bond shall be canceled and no longer be considered Outstanding hereunder.

(3) If the Purchase Price of such Bond was paid with funds provided by the Standby Purchaser pursuant to the Standby Purchase Agreement, such Bond shall be considered a Purchased Bond and shall be held by the Paying Agent for the benefit of the Standby Purchaser or, at the option of the Standby Purchaser, shall be registered and delivered as directed by the Standby Purchaser.

(f) A Purchased Bond that is remarketed by the Remarketing Agent shall be purchased from the Standby Purchaser by the Paying Agent with the Remarketing Proceeds and transferred to the purchaser designated in the related notice from the Remarketing Agent only if (i) the Purchased Bond Sale Price is paid to the Standby Purchaser and (ii) written notice is given to the Trustee by the Standby Purchaser that the Available Commitment is reinstated with respect to such Bond under the terms of the Standby Purchase Agreement. A Purchased Bond may be sold by the Standby Purchaser to the County only if the Standby Purchaser certifies in writing to the Paying Agent that the Available Commitment is reinstated with respect to such Bond. If a Purchased Bond is sold to the Original Purchaser as provided in Section 2.04 of the Standby Purchase Agreement, such Bond shall remain a Purchased Bond for purposes of this Indenture.

(g) Any remarketed Bond that has been called for redemption shall be delivered with a copy of the redemption notice, and any remarketed Bond remarketed as to which notice of Mandatory Tender has been given shall be delivered with a copy of the notice of Mandatory Tender.

(h) Any Bond purchased pursuant to an Optional Tender or Mandatory Tender shall not, by virtue of such purchase, be deemed paid or canceled, but shall remain Outstanding until fully paid.

SECTION 3.10 Execution; Limitation of Liability. The Bonds shall be executed on behalf of the Bank with the manual or facsimile signatures of the President, Executive Director, Secretary or Assistant Secretary of the Bank, and shall have impressed or imprinted thereon the official seal of the Bank or a facsimile thereof. The Bonds, together with interest and premium, if any, thereon, shall not constitute a debt of the State or any political subdivision thereof. The Bonds, together with interest thereon, shall be limited obligations of the Bank and shall be secured by and payable solely out of revenues derived from the Note Payments made by the County in respect of the Note pursuant to the Loan Agreement and Trust Estate pledged hereunder. The Bank shall not be obligated to pay the principal of the Bonds or the interest or premium, if any, thereon or other costs incidental thereto except from Note Payments made by the County in respect of the Note pursuant to the Loan Agreement. In case any officer of the Bank whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or the facsimile signature thereof shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. **THE BONDS DO NOT CONSTITUTE A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION OF THE STATE OR A PLEDGE OF THE FAITH AND CREDIT OF**

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THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED THEREFOR IN ACCORDANCE WITH THIS INDENTURE. THE ISSUANCE OF THE BONDS UNDER THE PROVISIONS OF THE ACT DOES NOT DIRECTLY, INDIRECTLY OR CONTINGENTLY, OBLIGATE THE STATE OR ANY POLITICAL SUBDIVISION THEREOF TO LEVY ANY FORM OF TAXATION FOR THE PAYMENT THEREOF OR TO MAKE ANY APPROPRIATION FOR THEIR PAYMENT AND SUCH BONDS AND THE INTEREST PAYABLE THEREON DO NOT NOW AND SHALL NEVER CONSTITUTE A DEBT OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OR THE STATUTES OF THE STATE AND DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE CREDIT OR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. NEITHER THE STATE NOR ANY AGENT, ATTORNEY, MEMBER OR EMPLOYEE OF THE STATE OR OF THE BANK, SHALL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE PRINCIPAL OF, AND PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR DAMAGES, IF ANY, FOR THE NONPERFORMANCE OF ANY PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT OF ANY KIND WHATSOEVER WHICH MAY BE UNDERTAKEN BY THE BANK. NO BREACH BY THE BANK OF ANY SUCH PLEDGE, MORTGAGE, OBLIGATION OR AGREEMENT MAY IMPOSE ANY LIABILITY, PECUNIARY OR OTHERWISE, UPON THE STATE OR ANY OF THE STATE'S OR THE BANK'S AGENTS, MEMBERS, ATTORNEYS, AND EMPLOYEES OR ANY CHARGE UPON THE GENERAL CREDIT OF THE STATE OR A CHARGE AGAINST THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BANK HAS NO TAXING POWER.

In the Act, the State has pledged to and agreed with the holders of any Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Bonds, are fully met and discharged.

The obligation of the Bank under the Swap Agreement to make Swap Payments, Termination Payments, and to make other payments under the Swap Agreement shall be secured by and payable solely out of revenues derived from payments made by the County pursuant to the Loan Agreement and the Trust Estate pledged hereunder, junior and subordinate to the payment of debt service on the Bonds.

SECTION 3.11 Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication substantially in the form set forth in **EXHIBIT A** attached hereto and made a part hereof shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an

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authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder.

SECTION 3.12 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Bank may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Bank and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Bank and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Bank may authorize the payment of the same. The Bank and the Trustee may charge the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under the provisions of this Section 3.12 in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Bank, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture together with all other Bonds in substitution for which such Bonds were issued.

SECTION 3.13 Registration of Bonds. The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain Outstanding, there shall be maintained and kept for the Bank, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in authorized denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

SECTION 3.14 Persons Treated as Owners. The Bank and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Bank nor the Trustee shall be affected by any notice to the contrary.

Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance with the provisions of this Section 3.14 shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

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SECTION 3.15 Exchange and Transfer of Bonds. As long as any of the Bonds remain Outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Bonds, the Bank or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

The Trustee shall not be required to register the transfer or exchange of (a) any Bonds during the 15 day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

SECTION 3.16 Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Bank, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Bank, shall deliver its certificate of such destruction to the Bank.

SECTION 3.17 Delivery of the Bonds. Upon the execution and delivery of this Indenture, the Bank shall execute and deliver to the Trustee, and the Trustee shall authenticate the Bonds and deliver them to the purchasers thereof as shall be directed by the Bank as hereinafter in this Section provided.

Prior to or simultaneously with the delivery by the Trustee of the Bonds there shall be filed with the Trustee:

(a) A copy, duly certified by the Secretary of the Bank, of the resolution or resolutions adopted by the board of directors of the Bank authorizing the execution and delivery of this Indenture and all other instruments contemplated thereby and the authorization, issuance, sale and delivery of the Bonds;

(b) A certificate of an Authorized Bank Representative that upon delivery of and payment for such Bonds, the amount on deposit in the Debt Service Reserve Fund, including any amount to be deposited therein from the proceeds of such Bonds, will be equal to the Debt Service Reserve Requirement;

(c) Original executed counterparts of this Indenture and the Standby Purchase Agreement, and a certified copy of the Financial Guaranty Insurance Policy, the Reserve Fund Credit Facility and the Guaranty;

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(d) Signed copies of all opinions of counsel required by the Original Purchaser of the Bonds;

(e) A request and authorization to the Trustee on behalf of the Bank and signed by its President, Executive Director or Secretary to authenticate and deliver the Bonds to the purchasers thereof and specifying the amounts to be deposited in the Bond Proceeds Fund, Cost of Issuance Account, Debt Service Reserve Fund and the Debt Service Fund, as applicable; and

(f) A signed copy of the legal opinion of Co-Bond Counsel.

The Bank hereby authorizes and directs the Trustee to execute and deliver the Tax Regulatory Agreement and Arbitrage Certificate dated the date of issuance of the Bonds, among the Bank, the Trustee and the County.

SECTION 3.18 Book-Entry Registration of Bonds. The Bonds shall be initially issued in the name of Cede & Co., as nominee for DTC, as registered owner of the Bonds, and held in the custody of DTC. The Bank and the Trustee acknowledge that the Bank has executed and delivered a Blanket Letter of Representations with DTC and that the terms and provisions of said Letter of Representations shall govern in the event of any inconsistency between the provisions of this Indenture and said Letter of Representations. A single bond certificate for each maturity of Bonds will be issued and delivered to DTC. The Beneficial Owners will not receive physical delivery of Bond certificates except as provided herein. Beneficial Owners are expected to receive a written confirmation of their purchase providing details of each Bond acquired. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interests will be made by book-entry only, and no investor or other party purchasing, selling or otherwise transferring beneficial ownership of Bonds is to receive, hold or deliver any Bond certificate.

For every transfer and exchange of the Bonds, the Beneficial Owner may be charged a sum sufficient to cover such Beneficial Owner's allocable share of any tax, fee or other governmental charge that may be imposed in relation thereto.

The Bank, the County and the Trustee will recognize DTC or its nominee as the Bondholder for all purposes, including notices and voting.

Neither the Bank, the Trustee nor the County are responsible for the performance by DTC of any of its obligations, including, without limitation, the payment of moneys received by DTC, the forwarding of notices received by DTC or the giving of any consent or proxy in lieu of consent.

Whenever during the term of the Bonds the beneficial ownership thereof is determined by a book-entry at DTC, the requirements of this Indenture of holding, delivering or transferring Bonds shall be deemed modified to require the appropriate person to meet the requirements of DTC as to registering or transferring the book-entry to produce the same effect.

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Bank and the Trustee and discharging its responsibilities with respect thereto under applicable law.

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The Bank, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Bank determines that (a) DTC is unable to discharge its responsibilities with respect to the Bonds, or (b) a continuation of the requirement that all of the Outstanding Bonds be registered on the registration records kept by the Trustee in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the beneficial owners of the Bonds.

Upon the termination of the services of DTC with respect to the Bonds pursuant to the above two paragraphs, after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Bank is willing and able to undertake such functions upon reasonable and customary terms, the Bank is obligated to deliver Bonds to the owner, at the expense of the said owner as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the registration records kept by the Trustee in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names holders transferring or exchanging Bonds shall designate in accordance with the provisions of this Indenture.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Letter of Representations of the Bank dated January 9, 1997 and delivered to DTC.

If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

ARTICLE IV.

**FUNDS AND ACCOUNTS; FLOW OF FUNDS; INVESTMENTS; DEPOSITS;
 ARBITRAGE; PAYMENTS ON FINANCIAL GUARANTY INSURANCE POLICY**

SECTION 4.1 Creation and Use of Funds and Accounts; Application of Bond Proceeds. Upon delivery of and payment for the Bonds, the following special trust funds and accounts shall be established and maintained with the Trustee so long as any Bonds issued under this Indenture are Outstanding to be used for the following purposes:

(a) The *Bond Proceeds Fund* shall be maintained by the Trustee and used to receive the proceeds of the Bonds in the amount of \$ _____; to transfer to the Interest Account in the Debt Service Fund that portion of the proceeds of the Bonds representing accrued interest, if any, on the Bonds in an amount specified in the request and authorization delivered pursuant to Section 3.17; to transfer to the Debt Service Reserve Fund that portion of the proceeds of the Bonds, if any, specified in the request and authorization delivered pursuant to Section 3.17 sufficient to fund an amount equal to the Debt Service Reserve Requirement for the Bonds; to retain \$ _____ in a special account called the Costs of Issuance Account, as shall be specified in the request and authorization delivered pursuant to Section 3.17 to be used to pay Costs of Issuance; and to transfer to the 2000 Trustee, for and on behalf of the County \$ _____, which amount is necessary to effect the current refunding and prepayment of the 2000 Note pursuant to the terms of the 2000 Loan Agreement. The Trustee is hereby authorized to make the deposits and transfers as herein provided.

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(b) The *Debt Service Fund* and its corresponding accounts shall be maintained with the Trustee and used for the following purposes:

(i) The *Interest Account* shall be used to receive the portions of the Note Payments applicable to interest on the Bonds; to receive the accrued interest, if any, on the Bonds paid by the purchasers of the Bonds on the Closing Date as provided in Section 4.1(a) hereof, and to pay the interest on the Bonds as it becomes due and payable.

(ii) The *Principal Account* shall be used to receive the portion of the Note Payments applicable to the principal requirements of the Bonds; to pay the principal of the Bonds as it becomes due and payable at maturity; and, if funds are available for such purpose and at the written direction of the Bank, to effect the redemption of the Bonds prior to their maturity in accordance with the redemption provisions thereof or the purchase of Bonds prior to their maturity in the open market at a price not in excess of the principal amount thereof, premium, if any, plus accrued interest.

(iii) The *Swap Account* shall be used to receive a portion of the payments of the County under the Loan Agreement applicable to the Swap Payments; to pay the Swap Payments as they become due and payable under the Swap Agreement; to receive any Swap Receipts pursuant to the terms and conditions of the Swap Agreement; to transfer to the Interest Account any Swap Receipts on the fifth (5th) day of each month; and, if funds are available for such purpose and at the written direction of the Bank, to pay any Termination Payments under the Swap Agreement in accordance with the provisions of the Swap Agreement and this Indenture. The Trustee shall first provide for amounts to fund the Interest Account and the Principal Account to pay the interest on the Bonds and principal on the Bonds, as such amounts become due and payable, and then with any remaining amounts fund the requirements of this paragraph (iii), as such Swap Payments are subordinate to payments of interest and principal on the Bonds.

(iv) The *Servicing Account* shall be used to receive a portion of the County's Additional Charges pursuant to Section 4.4(7) of the Loan Agreement and Section 9.14 hereof for the payment of certain ongoing fees and expenses in connection with the Bonds; and, if funds are available for such purpose, the Trustee shall pay the same pursuant to and as directed by the statements and invoices received from the County evidencing such fees and expenses.

(c) The *Debt Service Reserve Fund* shall be maintained with the Trustee and shall disburse the funds held in the Debt Service Reserve Fund to the Interest Account and Principal Account of the Debt Service Fund solely for the payment of interest on and principal of the Bonds, and only in the event that moneys in the Debt Service Fund are insufficient to pay principal of and interest on the Bonds. As of any Interest Payment Date, the Trustee shall value the investments in the Debt Service Reserve Fund at fair market value. If there is any deficiency in the Debt Service Reserve Fund as of any Interest Payment Date (after taking into account any debt service payment made on such Interest Payment Date), the Trustee shall provide written notice within five (5) Business Days to the County and the County shall replenish the Debt

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Service Reserve Fund within thirty (30) days after the applicable Interest Payment Date as provided in the Loan Agreement. Pursuant to Section 8.2(d) hereof, failure to restore any deficiency in the Debt Service Reserve Fund to the Debt Service Reserve Requirement within 120 days after the end of the Fiscal Year during which a deficiency occurs is an Event of Default. Following each Interest Payment Date, the Trustee shall determine if any amounts in the Debt Service Reserve Fund are in excess of the Debt Service Reserve Requirement and shall transfer said excess amount to the Debt Service Fund, Interest Account; provided, however, such amounts in excess of the Debt Service Reserve Requirement shall be paid to the County at its request with the prior written approval of the Bank.

The County may, at any time, provide the Trustee with a Reserve Fund Credit Facility to be substituted for all or a portion of the amount of money and investments in the Debt Service Reserve Fund equal to the amount available for drawing under such Reserve Fund Credit Facility; provided that such right of substitution shall be subject to the following conditions:

(i) The Trustee shall receive a certificate of the County to the effect that such substitution is in the best economic interests of the County stating the reasons therefor and stating how the amounts on deposit in the Debt Service Reserve Fund are to be applied; and

(ii) The Trustee shall receive an opinion of counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee, addressed to the Trustee, the Bank and the County as to the due authorization, execution, delivery and enforceability of the Reserve Fund Credit Facility in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of the Reserve Fund Credit Facility is not a domestic entity, an opinion of foreign counsel to the same effect in form and substance satisfactory to the Trustee; and

(iii) The Trustee, the Bank and the County shall receive an opinion of nationally recognized counsel, in form and substance satisfactory to each of them, to the effect that substitution of such Reserve Fund Credit Facility and the proposed application to the amounts in the Debt Service Reserve Fund will not cause the interest on the Bonds to become includable in gross income for federal income taxation purposes; and

(iv) The obligation of the County to reimburse the issuer of the Reserve Fund Credit Facility for any fees or expenses or claims or drawings under such Reserve Fund Credit Facility shall be subordinate to (1) the payment of debt service on the Note under the Loan Agreement, (2) the obligation of the County to replenish the Debt Service Reserve Fund under the Loan Agreement, and (3) any other payments payable by the County under the Loan Agreement and the Note; and

(v) The Reserve Fund Credit Facility must provide for a revolving feature under which the amount available for drawing thereunder will be reinstated to the extent of any reimbursement of drawings or claims paid; and

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(vi) The value of the assets (including the amount available for drawing under the Reserve Fund Credit Facility) held in the Debt Service Reserve Fund must equal the Debt Service Reserve Requirement immediately upon such substitution; and

(vii) The approval of S&P; and

(viii) The approval of the Bond Insurer.

If there shall be an insufficiency of funds in the Interest Account or the Principal Account of the Debt Service Fund to make any required payment of principal of or interest on any Bonds and the Trustee is holding a Reserve Fund Credit Facility in lieu of funds in the Debt Service Reserve Fund, the Trustee shall make a drawing under the Reserve Fund Credit Facility in an amount equal to the lesser of (1) the amount then available for drawing under the Reserve Fund Credit Facility, or (2) the amount necessary to make up the insufficiency described above, which drawing shall be made in time to prevent the occurrence of an Event of Default under this Indenture; and the proceeds of such drawing shall be deposited into the Debt Service Reserve Fund for application as provided in this Indenture.

On the fifth (5th) Business Day prior to the expiration of any Reserve Fund Credit Facility, the Trustee shall make a drawing of the full amount available thereunder, and shall deposit the proceeds of such drawing into the Debt Service Reserve Fund; provided, however, that the Trustee shall not make a drawing if, not later than the fifth (5th) Business Day prior to the expiration of such Reserve Fund Credit Facility, a substitute Reserve Fund Credit Facility or money and/or Permitted Investment securities equal to the Debt Service Reserve Requirement have been delivered to the Trustee for deposit in the Debt Service Reserve Fund.

If the Trustee receives notice that (1) the revolving reinstatement feature described above has been suspended or terminated, (2) the rating of the issuer of the Reserve Fund Credit Facility has fallen below "A" by S&P, (3) the issuer of the Reserve Fund Credit Facility has defaulted in its payment obligations thereunder, or (4) the Reserve Fund Credit Facility will not be extended or renewed, the Trustee shall immediately notify the County and the Bond Insurer, in writing, of the occurrence of such event and shall request that within five (5) days of such notice the County make or cause to be made the payments required to replenish the Debt Service Reserve Fund pursuant to this Indenture and the Loan Agreement, which payments may be made from the proceeds of a drawing under the Reserve Fund Credit Facility.

(d) [Reserved.]

(e) The *Rebate Fund* shall be maintained with the Trustee and used to make all rebate payments owed to the United States under the Code as more fully set forth in the Tax Agreement.

(f) The *Bond Purchase Fund* shall be maintained with the Trustee and utilized as set forth below:

(i) On each Tender Date money in the Bond Purchase Fund shall be applied by the Paying Agent to the payment of the Purchase Price of Tendered Bonds as provided in this Section.

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(ii) Remarketing Proceeds are to be deposited in the Bond Purchase Fund as provided in Section 3.9(b) hereof. All Remarketing Proceeds shall be held in a separate, segregated account in the Bond Purchase Fund and shall not be commingled with other money in the Bond Purchase Fund. Remarketing Proceeds shall be used to pay the Purchase Price of Tendered Bonds in the following order of priority: (1) first, the Paying Agent shall pay the Purchase Price of Tendered Bonds that are Purchased Bonds; and (2) second, the Paying Agent shall pay the Purchase Price of Tendered Bonds other than Purchased Bonds.

(iii) If the Standby Purchase Agreement is in effect and available Remarketing Proceeds are not sufficient, at least one-half (1/2) hour before the applicable notice deadline under the Standby Purchase Agreement the Paying Agent is required to make a demand on the Standby Purchaser for purchase of Tendered Bonds other than Purchased Bonds, as provided in Section 4.11 hereof and the Paying Agent shall make the necessary draws in accordance with the terms of the Standby Purchase Agreement in order to provide for the timely purchase of Tendered Bonds.

(iv) If Remarketing Proceeds and funds provided by the Standby Purchaser pursuant to the Standby Purchase Agreement are not sufficient, the County shall make deposits in the Bond Purchase Fund at times and in amounts sufficient to pay the unpaid amount of the Purchase Price of all Tendered Bonds due on each Tender Date.

(v) If money is on deposit in the Bond Purchase Fund on any Tender Date sufficient to pay the Purchase Price on the Bonds to be paid on such Tender Date, but the Holder of any Unsurrendered Bond fails to deliver such Bond to the Paying Agent for payment of such Purchase Price on such Tender Date, the Paying Agent shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay such Purchase Price due and payable on such Bond on such Tender Date. Money so segregated and held in trust shall not be a part of the Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Purchase Price.

(vi) Any money held in trust by the Paying Agent for the payment of Debt Service on or the Purchase Price of any Bond pursuant to this Section and remaining unclaimed for 5 years after such Debt Service or Purchase Price has become due and payable shall be paid to the County upon request of an Authorized County Representative; and the Holder of such Bond shall thereafter, as an unsecured general creditor, look only to the County for payment thereof, and all liability of the Paying Agent with respect to such trust money, and all liability of the County with respect thereto, shall thereupon cease; provided, however, that the Paying Agent, before being required to make any such payment to the County, may at its expense cause to be published once, in a newspaper of general circulation in the County where the office of the Paying Agent is located, notice that such money remains unclaimed and that, after a date specified therein, any unclaimed balance of such money then remaining will be paid to the County.

(vii) Money in the Bond Purchase Fund shall not be invested.

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SECTION 4.2 Flow of Funds. The Bank covenants and agrees to cause the County to pay the Note Payments in the amounts, time and manner as provided in Section 4.1 of the Loan Agreement and the Trustee agrees to cause the Note Payments with respect to the Bonds to be applied in the amounts, time and manner as hereinafter provided:

- (a) If the Bonds are in the Weekly Rate Mode on or before the first Wednesday of each month in an amount equal to the interest payable on the following Interest Payment Date;
- (b) If the Bonds are in a Term Rate Mode of 270 days or less, on or before the last day of the Term Rate Period in an amount equal to the principal and interest due on such date;
- (c) If the Bonds are in a Term Rate Mode of 270 days or more, semiannually, on or before each June 1 and December 1, an amount equal to the interest due and payable on the Bonds on such June 1 or December 1, as the case may be;
- (d) If the Bonds are in a Term Rate Mode of 270 days or more, annually, on or before each December 1, in an amount equal to the principal amount of the Bonds maturing on such December 1;
- (e) As soon as funds become available, to the Debt Service Reserve Fund sufficient amounts to assure that there is on deposit therein an amount equal to the Debt Service Reserve Requirement; and
- (f) Into any of the foregoing funds an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by this Indenture.

The required payments for Section 4.2(a) above shall be reduced by any surplus amount contained in or investment income received in or transferred to the Interest Account and/or Principal Account.

SECTION 4.3 Investments. Moneys contained in the funds and accounts held by the Trustee shall be continuously invested and reinvested by the Trustee at the direction of the County in Permitted Investments, to the extent practicable, that shall mature (or be readily convertible to cash) not later than the respective dates, as estimated by the Trustee, when the moneys in said Funds and Accounts shall be required for the purposes intended, except that the monies, if any, in the Debt Service Reserve Fund shall be invested in Permitted Investments having an average aggregate weighted term to maturity not greater than five (5) years and provided that the yield on any investment of funds in the Debt Service Reserve Fund in excess of the following shall be invested at a yield not exceeding the bond yield for the Bonds: (i) the maximum amount of principal and interest becoming due in the current or any future bond year (meaning each one year period beginning on December 2 of one year and ending on December 1 of the following year) on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; or (iii) 10% of the stated principal amount of the Bonds, and:

- (a) No such investment shall be required to be made unless the cash at the time available therefor is at least equal to \$1,000;

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(b) The Trustee shall be authorized, to the extent necessary to enable the Trustee to discharge or perform its obligations hereunder, at any one or more times to sell any part or all of the investments whenever it may, for any reason or purpose whatsoever, deem any such sale to be desirable;

(c) Any income derived from and any profit or loss on any such investment of moneys on deposit in any such fund or account shall be credited or debited, as the case may be, to the respective fund or account in which earned;

(d) No Permitted Investments in any fund or account may mature beyond the latest maturity date of any Bonds Outstanding at the time such Permitted Investments are deposited. For the purposes of this Section, the maturity date of repurchase agreements for obligations is the maturity date of such repurchase agreements and not the maturity date of the underlying obligation except as otherwise permitted in writing by the Bond Insurer; and

(e) No float forward or forward purchase agreement or other arrangement, agreement or financial product may be utilized in connection with the Debt Service Fund unless the Bond Insurer so permits and the terms thereof (including, without limitation, the parties thereto) are satisfactory to the Bond Insurer and, if satisfactory to the Bond Insurer, such agreements will constitute Permitted Investments.

An Authorized County Representative shall give to the Trustee directions respecting the investment of any money required to be invested hereunder, subject, however, to the provisions of this Article, and the Trustee shall then invest such money under this Section as so directed. The Trustee shall in no event have any liability for any loss resulting from the investment of moneys in accordance with the directions of the Authorized County Representative. The Trustee shall furnish the Bank annually with a written copy and the County with a written copy, on at least a monthly basis, of the types, amounts, yield and maturities of all such investments.

Investments shall be valued by the Trustee as of the end of each month. The value of the Permitted Investments shall be determined as provided in the definition of Permitted Investments in Section 1.1 hereof.

SECTION 4.4 Depository of Moneys and Security for Deposits. All of the funds and accounts established hereunder shall be special trust accounts held by the Trustee in trust for the benefit of the owners of the Bonds and shall not be subject to lien or attachment by any creditors of the Trustee, the Bank or the County. Uninvested sums in these funds and accounts shall be continually secured as are deposits of uninvested sinking funds of political subdivisions of the State or in the manner prescribed by federal law for securing any federal trust funds as may be prescribed from time to time by the Comptroller of the Currency.

SECTION 4.5 Arbitrage. Notwithstanding all the provisions hereof, the County shall not direct the investment of moneys in the various funds and accounts created hereunder in a manner which would result in the loss of exclusion from gross income of interest on the Bonds for federal income tax purposes or in such manner which would result in the Bonds becoming "arbitrage bonds" within the meaning of Section 148 of the Code.

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SECTION 4.6 Amounts Remaining in Funds; Releases. It is agreed by the parties hereto that any amounts remaining in the funds and accounts existing pursuant to this Indenture after payment in full of all Bonds then Outstanding under this Indenture (or provisions for the payment thereof having been made in accordance with Article XII of this Indenture), and the fees, charges and expenses of the Bank and the Trustee and all other amounts required to be paid under the Loan Agreement and under this Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code or held in the Rebate Fund, shall belong to and be paid to the County except as provided in Section 4.1(f)(vi) hereof and except for any monies appropriated by the State pursuant to Section 4.16 hereof which will be paid to the State.

SECTION 4.7 Application of Moneys in the Rebate Fund. Moneys in the Rebate Fund shall be used to make any rebate payments required to be made to the United States under the Code. The Rebate Fund shall be held for the sole benefit of the United States of America and is not pledged under this Indenture. Moneys required to be paid to the United States shall be deposited in the Rebate Fund by the Bank and shall constitute an additional Payment under the Loan Agreement as required thereby and by this Indenture.

SECTION 4.8 Delivery of Initial Standby Purchase Agreement.

(a) The initial Standby Purchase Agreement was delivered to the Paying Agent simultaneously with the delivery of the Bonds to the Original Purchaser.

(b) The Standby Purchase Agreement is for the sole benefit of Holders of the Bonds.

SECTION 4.9 Substitute Standby Purchase Agreement.

(a) The County may at any time and from time to time deliver another agreement (a "Substitute Standby Purchase Agreement") to the Paying Agent in substitution for the Standby Purchase Agreement then held by the Paying Agent (the "Existing Standby Purchase Agreement"), provided that

(1) such Substitute Standby Purchase Agreement complies with the applicable conditions set forth in Section 4.9 (c) hereof;

(2) simultaneously with the delivery of such Substitute Standby Purchase Agreement the County delivers to the Paying Agent any related documentation required by Section 4.9(d) hereof (the "Related Documentation");

(3) the County gives the Trustee, the Paying Agent, the Bond Insurer, the Remarketing Agent and the Bank 30 days' prior notice of such substitution, which notice must specify a Business Day on which such substitution will occur; and

(4) no substitution of the Standby Purchase Agreement shall be permitted during any Term Rate Period.

(b) If a Substitute Standby Purchase Agreement and the Related Documentation are not delivered to the Trustee at least 20 days prior to the Stated Expiration Date of the then Existing Standby Purchase Agreement, the Bonds shall be subject to a Mandatory Tender, as provided in Section 3.8 hereof.

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(c) Each Substitute Standby Purchase Agreement delivered to the Paying Agent pursuant to this Section must be acceptable to the Bond Insurer and must be substantially in the same form and of the same tenor as the initial Standby Purchase Agreement, except as otherwise provided in this Section.

(d) Each Substitute Standby Purchase Agreement delivered to the Paying Agent must be accompanied by the following Related Documentation, to the extent applicable:

(1) An Opinion of Counsel, addressed to the Paying Agent, the Trustee and the Bond Insurer, stating in effect that such Substitute Standby Purchase Agreement is a valid and binding obligation of the substitute Standby Purchaser.

(2) An Opinion of Counsel acceptable to the Paying Agent, the Trustee and the Bond Insurer stating in effect that such substitution complies with the applicable provisions of this Indenture.

(3) A certificate from the existing Standby Purchaser stating in effect that all Purchased Bonds have been purchased from the existing Standby Purchaser and all other amounts due to the Standby Purchaser under the Existing Standby Purchase Agreement have been paid in full.

(4) The written consent of the Bond Insurer.

(e) Any purchases that, under the terms of this Indenture, are to be made under the Standby Purchase Agreement on or prior to the effective date of a Substitute Standby Purchase Agreement shall be made under the Existing Standby Purchase Agreement. At the close of business on the effective date of any Substitute Standby Purchase Agreement, the Paying Agent shall return the Existing Standby Purchase Agreement to the Standby Purchaser obligated under such Existing Standby Purchase Agreement, provided that any purchases required under such Existing Standby Purchase Agreement required on or prior to such date have been consummated.

(f) If the Paying Agent accepts a Substitute Standby Purchase Agreement, the Paying Agent shall send notice of such substitution to the Bondholders.

(g) The term of any Standby Purchase Agreement already held by the Paying Agent may be extended by the Standby Purchaser by delivery to the Paying Agent of an amendment or other document in the form required by such Standby Purchase Agreement. Such an extension shall not require the delivery of Related Documentation.

SECTION 4.10 Cancellation of Standby Purchase Agreement.

(a) The County may cancel any Standby Purchase Agreement then in effect on any date specified by the County upon 30 days' prior notice to the Trustee, the Paying Agent, the Bond Insurer, the Remarketing Agent and the Standby Purchaser; provided, however, that:

- (1) no such cancellation may be effected during a Term Rate Period;
- (2) the Bond Insurer must give its prior consent to such cancellation;

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(3) Bonds are remarketed on the Mandatory Tender Date with respect to such cancellation with disclosure that the Standby Purchase Agreement will no longer secure the purchase of Bonds under the Optional Tender or Mandatory Tender provisions; and

(4) the Paying Agent shall not cancel the Standby Purchase Agreement unless any purchases under the Standby Purchase Agreement required on or prior to the cancellation date have been consummated.

(b) The Standby Purchase Agreement may not be terminated with respect to only a portion of the Bonds, it being intended that all Outstanding Bonds will be secured by the Standby Purchase Agreement if the Standby Purchase Agreement is in effect.

SECTION 4.11 Demand for Purchase by Bank. Not less than one-half (½) hour before the applicable notice deadline under the Standby Purchase Agreement, the Trustee shall determine the amount of Remarketing Proceeds already on deposit in the Bond Purchase Fund. After such determination, the Trustee, as tender agent, shall give the Standby Purchaser notice in the form required by the Standby Purchase Agreement for purchase of Tendered Bonds (other than Purchased Bonds) for which Remarketing Proceeds will not be available. Any money received pursuant to the Standby Purchase Agreement shall be held in a separate account within the Bond Purchase Fund and shall not be commingled with any other money in the Bond Purchase Fund. Such money shall be used only to pay the Purchase Price of Tendered Bonds other than Purchased Bonds.

SECTION 4.12 Interest Rate, Payment Provisions, and Redemption Provisions for Purchased Bonds.

(a) Interest Accrual at Purchased Rate. Notwithstanding the Interest Rate Mode otherwise in effect when a Bond is purchased by the Standby Purchaser pursuant to the Standby Purchase Agreement, Purchased Bonds shall bear interest at the Purchased Rate. Interest accrual at the Purchased Rate shall begin on (and shall include) the Purchased Bond Purchase Date and shall end on (but shall not include) the Purchased Bond Sale Date.

(b) Interest Payment Dates. Interest on Purchased Bonds shall be payable on the following dates:

- (1) on the Purchased Bond Purchase Date (such interest being computed at the Interest Rate Mode in effect until such Purchase Date),
- (2) on the first Business Day of each month while such Bond is a Purchased Bond,
- (3) on the Purchased Bond Sale Date, if prior to Maturity of such Bond, and
- (4) at Maturity, if such Bond remains a Purchased Bond until Maturity.

Interest on Purchased Bonds is payable to the Standby Purchaser notwithstanding provisions of the Indenture regarding the Regular Record Date or Special Record Date.

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(c) Redemption of Purchased Bonds. Purchased Bonds are subject to redemption prior to maturity as follows:

(1) Redemption Provisions Applicable to all Bonds. Purchased Bonds are subject to optional and mandatory redemption in accordance with the provisions of Section 3.4 hereof and the general redemption provisions of Article III of this Indenture.

(2) Special Mandatory Redemption of Purchased Bonds. One-tenth (1/10th) of the principal amount of Purchased Bonds Outstanding on the Expiration Date of the Standby Purchase Agreement (the "Purchased Bond Balance") shall be redeemed, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date, on each Purchased Bond Redemption Date following such Expiration Date. The County may, upon direction to the Paying Agent, claim a credit against such mandatory redemption requirements for any or all of the principal amount of such Purchased Bonds already redeemed (other than pursuant to this paragraph) and not previously claimed as a credit. Any remaining portion of the Purchased Bond Balance not previously redeemed shall be paid in full on the tenth Purchased Bond Redemption Date following such Expiration Date.

SECTION 4.13 Amendment of Bond Documents. If no Standby Purchaser Default exists, no amendment may be made to the Bond Documents without the consent of the Standby Purchaser. The Financial Guaranty Insurance Policy may not be surrendered, canceled or terminated, or amended or modified in any material respect, without the Standby Purchaser's prior written consent.

SECTION 4.14 Appointment of Successor Trustee. If no Standby Purchaser Default exists, no successor Trustee may be appointed without consent of the Standby Purchaser.

SECTION 4.15 Benefits of Indenture for Standby Purchaser. The Indenture shall also be for the benefit and security of the Standby Purchaser, and the Standby Purchaser shall have legal or equitable rights, remedies and claims, to the extent provided herein. All covenants, warranties and representations of any party hereof made herein and in any Related Document also shall be for the benefit and security of the Standby Purchaser, and the Standby Purchaser may rely upon those covenants, warranties and representations in entering into the Standby Purchase Agreement and any Related Documents.

SECTION 4.16 Agreement Withholding County Monies to Satisfy Delinquent Payments. As provided for in the Act, the County and the Bank have entered into and the Trustee has accepted a Tax Intercept Agreement, whereby the County has covenanted, agreed and authorized the Mississippi Tax Commission or any other State agency, department or commission to (1) withhold all or any part of any monies, but only with respect to such monies or other amounts within the County, which the County is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi State Tax Commission or any other State agency, department or commission (the "Tax Monies") and (2) pay same over to the Trustee to satisfy any delinquent payment (the "Delinquent Payment") under Section 4.2 or 4.4(5) of the Loan Agreement. If on the first day of each month, beginning February 1, 2004, the County has insufficient amounts to make the payments under Section 4.2 or 4.4(5) of the Loan Agreement, the Bank has authorized and directed the Trustee under the Tax Intercept Agreement to file the Tax Intercept Agreement and a statement of deficiency setting forth the amount of any

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Delinquent Payment with the Mississippi State Tax Commission or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Act. In any event if the County fails to make timely payments under the Loan Agreement and the Note as provided in Section 4.2 or 4.4(5) of the Loan Agreement, the Trustee is hereby further directed to file the Tax Intercept Agreement with the Mississippi State Tax Commission and take further action to recover Tax Monies under the Tax Intercept Agreement. The Trustee is hereby directed to pay any Tax Monies into the appropriate account of the Debt Service Fund or the Debt Service Reserve Fund in accordance with Section 4.1 hereof.

ARTICLE V.
ADDITIONAL BONDS

SECTION 5.1 Additional Bonds. Additional Bonds may be issued in one or more series by the Bank at the request of the County and with the consent of the Bond Insurer under a supplement to this Indenture to purchase other obligations of the County or to make a loan to the County so long as:

(a) No Event of Default under this Indenture has occurred and is then continuing and the Bank shall have approved the issuance of such Additional Bonds; and

(b) There shall have been filed with the Trustee an opinion of Co-Bond Counsel to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Bonds then Outstanding under this Indenture shall not be adversely affected.

Such series of Additional Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Indenture or the separate indenture authorizing the issuance of such series of Additional Bonds.

SECTION 5.2 Refunding. Refunding Bonds may be issued under and secured by a supplemental Indenture for the purpose of providing funds for the refunding of the Bonds and Additional Bonds, upon compliance with Section 5.1 above.

SECTION 5.3 Additional Bonds and Refunding Bonds. The Bond Insurer and the Standby Purchaser shall receive copies of any disclosure documents circulated with respect to such Additional Bonds and refunding bonds.

ARTICLE VI.
COSTS OF ISSUANCE

SECTION 6.1 Payment of Costs of Issuance from Bond Proceeds Fund. There shall be paid into the Costs of Issuance Account in the Bond Proceeds Fund the amounts required to be so paid from Bond proceeds pursuant to Section 4.1(a) of this Indenture. Such amounts shall be applied to the payment of the legal, administrative, financing and incidental expenses of the Bank, the Trustee and the County relating to the Bonds and the Note, including, without limitation, the premium payable for the Financial Guaranty Insurance Policy (which premium may be paid directly to the Bond Insurer by the Original Purchaser) and the initial fees of the

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Standby Purchaser, if any. The Trustee shall make payments from the Costs of Issuance Account upon receipt of statements from the parties entitled to be paid therefrom accompanied by a written request of the Bank, signed by an Authorized Bank Representative, directing the Trustee to pay such statements. Any amounts remaining in the Costs of Issuance Account after March 31, 2004 shall be transferred to the Debt Service Fund.

ARTICLE VII.
LOAN SECURED BY NOTE

SECTION 7.1 Terms and Conditions of Loan. The loan of funds to the County under the terms and provisions of the Loan Agreement secured by the Note shall be according to the terms and conditions of, and upon submission of the documents required by, this Article VII.

SECTION 7.2 Loan. The Trustee shall provide the funds for the loan to the County upon receipt by the Trustee of:

- (a) a written direction of the Bank signed by an Authorized Bank Officer stating to whom the proceeds of the loan are to be paid;
- (b) a certificate signed by an officer of the Bank, certifying that the County, pursuant to the Loan Agreement, has executed and delivered the Note to the Bank and is obligated to make Note Payments and to pay all fees and charges required to be paid to the Bank under the Indenture, and that to the knowledge of such officer, such County is not in default under the payment terms or other material terms or provisions of any other obligations of that County;
- (c) a certified transcript of proceedings authorizing the issuance, execution and delivery of the Note, which transcript shall contain the certifications required by the Act and such other certifications and representations which are reasonable and appropriate as determined by the Bank or Trustee;
- (d) an Opinion of Co-Bond Counsel in form satisfactory to the Bank stating that the Note and Loan Agreement constitute valid and binding obligations enforceable in accordance with their terms, subject to such enforcement limitations customarily contained in such opinions;
- (e) an executed Note, registered as to both principal and interest to the Bank and delivered in accordance with the Act;
- (f) an opinion of counsel of the County in form satisfactory to the Bank stating that such County is a Local Governmental Unit within the meaning of the Act;
- (g) an executed Loan Agreement from the County;
- (h) an executed Tax Intercept Agreement;
- (i) a certificate from the County stating that either (i) the County is exempt from the rebate requirements of Section 148 of the Code, or (ii) the County is subject to the rebate requirement of Section 148 of the Code and will comply with such provisions, or (iii) if the County intends to meet an exception from rebate contained in Section 148(f)(4)(C) of the Code,

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it elects on or before the closing date to pay a penalty in lieu of rebate if such provisions are not met; and

- (j) an amortization schedule for debt service on the Bonds.

Upon receipt of all the documents as listed above, the Trustee shall pay the loan proceeds as specified in the directions received pursuant to subparagraph (a) above.

SECTION 7.3 Retention and Inspection of Documents. All requisitions, certificates, transcripts, Opinions of Co-Bond Counsel, Loan Agreement, Tax Intercept Agreement, Bond Purchase Agreement and Note received by the Trustee, as required in this Article as conditions of payment may be relied upon by and shall be retained in the possession of the Trustee, subject at all times during normal business hours to the inspection of the Bank and, after written request received by the Trustee at least five (5) Business Days prior to the date of inspection, by any owner of at least 5% in principal amount of Outstanding Bonds. Any costs and expenses associated with such request shall be paid by the requesting Bondholder.

SECTION 7.4 Report. The Bank shall require a report to be made by an officer or employee of the Trustee on behalf of the Trustee within sixty (60) days after the delivery of the Bonds covering all receipts and all disbursements made pursuant to the provisions of this Article VII in respect of the Bonds. Said report shall be supplemented at least once every sixty (60) days by the Trustee until all of the net proceeds of the Bonds deposited in the Bond Proceeds Account shall have been expended. Each such report shall be mailed by the Trustee to the Bank.

SECTION 7.5 Assignment of Note and Loan Agreement. In Article II hereof, the Bank has assigned all of its right, title and interest in, to and under the Note and the Loan Agreement (except certain rights pertaining to the Bank), to the Trustee as security for the Bonds and hereby agrees that the Note and the Loan Agreement may be enforced by the Trustee and/or the owners of the Bonds issued hereunder in accordance with the terms hereof and thereof. Notwithstanding such assignment, the Bank agrees to cause the County to comply with the terms contained in the Loan Agreement and Note and the rights of the Bondholders and the Trustee shall be governed by the provisions of this Indenture, the Note, and to the extent applicable, the Loan Agreement. The Bank and the Trustee hereby covenant and agree that neither will sell or otherwise dispose of the Note.

SECTION 7.6 Trustee or Bondholders to Enforce Note. The Trustee may, and upon request of the Bond Insurer or the owners of a majority in aggregate principal amount of the Bonds then Outstanding shall, subject to the provisions of Section 8.11 and Article IX hereof, strictly and promptly enforce the provisions of the Note and the Loan Agreement so long as any of the Bonds remain Outstanding under this Indenture. All rights of action (including the right to file proof of claims) to enforce the Note under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee for the Bondholders without the necessity of joining as plaintiffs or defendants any of the Bondholders.

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ARTICLE VIII.
EVENTS OF DEFAULT; REMEDIES

SECTION 8.1 No Extension of Time for Payment of Principal, Premium or Interest. The Trustee shall not be authorized to extend the time for any payment of principal, premium or interest without the prior written consent of or authorization by the owner of the Bonds so affected.

SECTION 8.2 Events of Default. Each of the following events is hereby declared to be an "Event of Default" hereunder:

(a) The payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable;

(b) The payment of the principal of, or premium on, if any, the Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(c) A default shall have occurred and be continuing under the Loan Agreement;

(d) The Bank fails to restore the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement within one hundred twenty (120) days after the end of the Fiscal Year of the Bank during which a deficiency occurs; or

(e) Default by the Bank in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the Bank to be performed, if such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Bank and the County by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the owners of not less than a majority in principal amount of the Bonds then Outstanding. Such default shall not become an Event of Default if said default be of the nature that (i) it cannot be corrected within the 30 day period after receipt of notice, but the Bank (or the County, pursuant to the provisions of Section 8.14 of this Indenture) promptly shall institute and diligently pursue corrective action until such default is cured, or (ii) Trustee shall determine that such default is not curable but such default does not affect the validity or enforceability of the Bonds, this Indenture, the Note or the Loan Agreement, an event of nonperformance shall not have occurred under the Loan Agreement (other than as a result of any cross-default provisions), and such default does not impair the security or the obligations provided for or under the Bonds, this Indenture, the Note or the Loan Agreement, and (iii) the Bond Insurer shall have consented to such event not being an Event of Default.

The word "default" as used herein means failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure. In addition, in determining whether a default in the payment of the principal of or interest on the Bonds has occurred or whether a payment of Bonds has been made hereunder, no effect shall be given to the payments made under the Financial Guaranty Insurance Policy.

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Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer, as long as the Financial Guaranty Insurance Policy shall be in full force and effect, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under this Indenture (subject to the provisions of Article IX of this Indenture and the Trustee's right to seek indemnity under Section 8.11 hereof if such exercise requires the Trustee to act), including, without limitation (i) the right to accelerate the principal of the Bonds as described in this Indenture, and (ii) the right to annul any declaration of acceleration, and the Bond Insurer shall also be entitled to approve all waivers of Events of Default.

SECTION 8.3 Remedies. Upon the occurrence of an Event of Default, the Bank, the Trustee and, subject to Sections 8.10 and 8.11, the Bondholders shall have all the rights and remedies as may be allowed by law, this Indenture, or pursuant to the provisions of the Loan Agreement by virtue of the assignment of the Note hereunder, including but not limited to, acceleration of the maturity of all Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions of this Indenture or the Loan Agreement.

SECTION 8.4 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default, the Trustee may, with the consent of the Bond Insurer and shall, at the direction of the Bond Insurer or a majority of the Bondholders with the consent of the Bond Insurer, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or in the Bonds to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the principal amount of all the Bonds then Outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment. If the Bond Insurer shall be in default of its payment obligations under the Financial Guaranty Insurance Policy, the owners of not less than a majority of the aggregate principal amount of Bonds Outstanding, may direct the Trustee to declare the Bonds then Outstanding immediately due and payable; and

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture or the Loan Agreement, the Trustee may annul such declaration and its consequences with respect to the Bonds if (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration) and interest; (ii) moneys shall be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Bank and the Trustee; (iii) all other amounts then payable by the Bank or the County under this Indenture or the Loan Agreement shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every Event of Default known to the Bank or the Trustee (other than a default in the payment of the principal of the Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Bank and the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

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No waiver of any Event of Default shall be effective without the written consent of the Bond Insurer.

SECTION 8.5 Insufficiency in the Debt Service Fund; Application of Moneys. Anything in this Indenture to the contrary notwithstanding, if on any payment date the moneys in the Debt Service Fund shall not be sufficient to pay the interest on, premium, if any, or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities), such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in this Article or otherwise, shall, subject to the provisions of Sections 9.2 and 9.4 hereof, be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; and

SECOND, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) in the order of their due dates, with interest on the principal amount of such Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

THIRD, to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of this Indenture.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions, of Section 8.5(b) above, in the event that the principal of the Bonds shall later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of Section 8.5(a) above.

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(d) Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee and the Standby Purchaser have been paid, any balance remaining in the funds and accounts hereunder shall be used to pay any outstanding obligations to the Swap Counterparty under the Swap Agreement.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future; the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Bank, to any Bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 8.6 Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

SECTION 8.7 Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 8.8 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity on or after the date of adoption of this Indenture.

SECTION 8.9 Remedies Vested in Trustee. All rights of action under this Indenture, the Loan Agreement, the Note or under any of the Bonds may be enforced by the Trustee without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds.

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SECTION 8.10 Majority of Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in this Indenture to the contrary, but subject to all rights granted to the Bond Insurer in this Indenture, the owners of at least a majority of the aggregate Outstanding principal amount of Bonds then Outstanding, shall have the right, at any time by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture, provided the direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this Section shall impair the right of the Trustee in its discretion to take any other action under this Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders.

SECTION 8.11 Individual Bondholder Action Restricted.

(a) Subject to the rights of the Bond Insurer, no owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of this Indenture or for the execution of any trust hereunder or for any remedy under this Indenture unless:

(i) An Event of Default has occurred (other than under Sections 8.2(a) or 8.2(b)) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) The owners of at least a majority of the aggregate Outstanding principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name; and these Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in this Indenture or to institute an action, suit or proceeding in its own name for a period of sixty (60) days after receipt of the request and offer of indemnity.

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of this Indenture or to enforce any right hereunder except in the manner herein provided and then only for the equal benefit of the owners of all Outstanding Bonds.

SECTION 8.12 Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given by this Article to the Trustee and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted

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by it under the provisions of this Indenture or before the completion of the enforcement of any other remedy under this Indenture.

(c) Notwithstanding anything contained in this Indenture to the contrary, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of, premium, if any, and interest on any Bond, when due and payable or upon call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Bonds at the time Outstanding.

(d) In case of a waiver by the Trustee of any Event of Default, the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under this Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with this Section.

SECTION 8.13 Notice of Defaults.

(a) Within thirty (30) days after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Bonds then Outstanding in the manner provided in Section 15.8 of this Indenture, provided that, except in the case of a default in the payment of principal, redemption premium, or interest on any of the Bonds, the Trustee may withhold the notice to the Bondholders if, in its sole judgment, it determines that the withholding of notice is not detrimental to the best interest of the Bondholders.

(b) The Trustee shall immediately notify, in writing, the Bank and the County of any Event of Default known to the Trustee.

(c) The Trustee shall provide the Bond Insurer immediate notice if at any time there are insufficient moneys to make any payment of principal of, premium, if any, or interest on the Bonds as required hereby and shall provide the Bond Insurer notice of (i) any other Event of Default or (ii) any payment default under any related security agreement immediately upon its receipt of notice thereof.

SECTION 8.14 Opportunity of County to Cure Certain Defaults. The Bank and the Trustee hereby grant the County full authority on the account of the Bank to perform any covenant or obligation and to otherwise fulfill any condition the failure or non-performance of which is or is alleged to be a default under Section 8.2(e) of this Indenture, and the Trustee agrees that performance by the County shall be deemed to be performance by the Bank.

ARTICLE IX.
CONCERNING THE TRUSTEE AND REMARKETING AGENT

SECTION 9.1 Acceptance of Trusts. The Trustee hereby represents and warrants to the Bank (for the benefit of the County and the Bondholders as well as the Bank) that it is a state banking corporation duly organized and existing under the laws of the State of Mississippi and

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that it is duly authorized under such laws to accept and execute trusts of the character herein set out. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the terms and conditions set forth in this Article and subject to the provisions of this Indenture including the following express terms and conditions, to all of which the parties hereto and the respective owners of the Bonds agree:

(a) Except during the continuance of an Event of Default pursuant to Section 8.2, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and the Trustee shall not be responsible for (x) the legality or enforceability of this Indenture (except with respect to performance of its obligations hereunder), the Loan Agreement (except with respect to performance of its obligations thereunder), the Tax Regulatory Agreement (except with respect to performance of its obligations thereunder), and any supplement thereto, the Bonds (except as to the authentication of the Bonds) and the Note, or any instruments or documents related thereto (collectively, the "Bond Documents") or (y) the legality, perfection, sufficiency or priority of the Trust Estate or any lien purported to be granted thereon under any of the aforesaid documents or otherwise. No implied covenants or obligations shall be read into this Indenture against the Trustee.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its gross negligence or willful misconduct, except that:

(i) in the absence of bad faith on the part of the Trustee, the Trustee may rely upon the authenticity of, and the truth of the statements and the correctness of the opinions expressed in, and shall be protected fully from liability in relying or acting upon, any resolution, opinion of counsel, certificate, request, notice, consent, waiver, order, signature guaranty, notarial seal, stamp, acknowledgment, verification, appraisal, report or other paper or document believed by the Trustee to be genuine and to have been signed, affixed or presented by the proper party or parties; but in the case of any such certificates or opinions that by any provision hereby are specifically required to be furnished to the Trustee, as the case maybe, the Trustee shall be under a duty to examine the same to determine whether or not they conform to requirements of this Indenture; and

(ii) in the absence of bad faith on the part of the Trustee, whenever the Trustee, or any of its agents, representatives, experts or counsel, shall consider it necessary or desirable that any matter be proved or established, such matter shall be deemed to be conclusively proved and established by a certificate executed by an Authorized Bank Representative; provided, however, that the Trustee, or such agent, representative, expert or counsel may require, but is not obligated to require, such further and additional evidence and make such further investigation as it or they may consider reasonable; and

(iii) the Trustee may consult with counsel and the advice or opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered hereunder in good faith and in accordance with such advice or opinion of counsel; and

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(iv) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith and in accordance with any direction or request of the Bondholders; and

(v) the Trustee shall not be liable for any error of judgment made in good faith by an officer or employee of the Trustee unless the Trustee is negligent in ascertaining the pertinent facts; and

(vi) the Trustee shall not be deemed to have knowledge of any Event of Default, except for the failure of the County to make or cause to be made scheduled payments to the Trustee provided for in the Loan Agreement unless and until the Bond Insurer shall have given written notice to the Trustee of said default or until an officer of the Trustee who customarily handles corporate trusts and is assigned to supervise this Indenture shall have actual knowledge thereof or the Trustee shall have received written advice thereof from any Bondholder; and

(vii) anything in any of the Bond Documents to the contrary notwithstanding, whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so by one or more owners of the Bonds Outstanding hereunder and furnished, from time to time as it may require, with security and indemnity satisfactory to it; and

(viii) the Trustee need not take any action or follow any direction from any one or more Bondholders if the Trustee shall be advised by counsel that the action or proceedings so directed may not lawfully be taken or would be prejudicial to Bondholders not parties to such direction, or the Trustee in good faith believes following such direction would involve the Trustee in personal liability; and

(ix) in no event shall the Trustee be liable to any person for special, indirect or consequential damages, lost profits or loss of business arising under or in connection with this Indenture, even if previously informed of the possibility of such damages and regardless of the form of action; and

(x) anything to the contrary in the Bond Documents notwithstanding, the permissive right of the Trustee to do anything enumerated or set forth in any of the Bond Documents shall not be construed as a duty, and the Trustee shall not be held responsible or liable for other than its gross negligence or willful misconduct; and

(xi) the Trustee shall not be required to give any bond or surety with respect to the performance of its duties or the exercise of its powers hereunder.

(c) In case an Event of Default within the purview of Section 8.2 hereof occurred and is continuing and the Trustee has actual knowledge of such Event of Default or is deemed to have knowledge pursuant to (b)(vi) above, subject to the provisions of this Article IX, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the

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degree of care and skill in their exercise as a prudent man would exercise under the circumstances.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee, including without limitation Sections 9.3 and 9.4 hereof, shall be subject to the provisions of this Section 9.1. The Trustee also accepts, and agrees to do and perform, the duties and obligations imposed upon it by and under the Loan Agreement, but only upon the terms and conditions set forth in the Loan Agreement and this Indenture. The rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

(e) Notwithstanding any other provision of this Indenture, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee shall consider the effect on the Bondholders as if there were no Financial Guaranty Insurance Policy.

SECTION 9.2 Trustee Entitled to Indemnity. Anything to the contrary in this Indenture notwithstanding, the Trustee shall be under no obligation (except to make a required draw on the Standby Purchase Agreement) to institute any suit, or to take any remedial proceeding under this Indenture or under the Loan Agreement, or to enter any appearance in or in any way defend against any suit, in which it may be made a defendant (except in the case of the Trustee's own gross negligence), or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder or under the Loan Agreement, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other reasonable disbursements, and against all liability; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Bank shall reimburse the Trustee from funds available therefor under the Loan Agreement for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. Except with respect to any draws on the Standby Purchase Agreement required hereunder and any moneys on deposit with the Trustee which are being held for the purpose of paying to Bondholders principal or Purchase Price of, premiums, if any, or interest which has previously become payable with respect to the Bonds, if the Bank shall fail to make reimbursement, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture and shall be entitled to a preference over any of the Bonds.

SECTION 9.3 Trustee Not Responsible for Insurance, Taxes, Execution of Indenture, Acts of the Bank or Application of Moneys Applied in Accordance with this Indenture. The Trustee shall not be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the County or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. The Trustee shall have no responsibility in respect of the validity, sufficiency, due execution or acknowledgment of this Indenture or the validity or sufficiency of the security provided hereunder or in respect of the validity of the Bonds or the due execution or issuance thereof, except as to its execution, delivery and authentication thereof, as applicable.

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The Trustee shall not be under any obligation to see that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and the Trustee shall be under no obligation for failure to see that any such duties or covenants are so done or performed.

The Trustee shall not be liable or responsible because of the failure of the Bank or of any of its employees or agents to make any collections or deposits or to perform any act herein required of the Bank or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depository in which such moneys shall have been deposited under the provisions of this Indenture. The Trustee shall not be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Indenture.

The immunities and exemptions from liability of the Trustee hereunder shall extend to its directors, officers, employees and agents.

SECTION 9.4 Compensation. The Trustee shall be entitled to reasonable compensation for its ordinary services hereunder consistent with the results of the process by which the Trustee was selected and any extraordinary services rendered hereunder and to reimbursement for all expenses incurred in good faith hereunder, including the compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its powers and duties hereunder. Subject to the provisions of any contract relating to the compensation of the Trustee, the Bank shall cause the County to pay to the Trustee as administrative expenses its reasonable fees and charges upon the written request of the Trustee provided the Bank shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Bank in connection therewith as such costs and expenses accrue. If the County shall fail to make any payment required by this Section, the Trustee may, but shall be under no obligation to, make such payment from any moneys in its possession under the provisions of this Indenture (except for any moneys on deposit with the Trustee which are being held for the purpose of paying to Bondholders principal or Purchase Price of, premiums, if any, or interest which has previously become payable with respect to the Bonds, or moneys being held for payment to the Standby Purchaser), and the Trustee shall be entitled to a preference therefor over any of the Bonds Outstanding hereunder.

SECTION 9.5 Trustee to Preserve Records. All records and files pertaining to the County in the custody of the Trustee shall be open at all reasonable times to the inspection of the Bank, the Bond Insurer, the County and their agents and representatives.

SECTION 9.6 Trustee May be Bondholder. The Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in any of the Bonds issued under and secured by this Indenture and may join in the capacity of a Bondholder in any action which any Bondholder may be entitled to take with like effect as if such institution were not the Trustee under this Indenture.

SECTION 9.7 Trustee Not Responsible for Recitals. The recitals, statements and representations contained herein and in the Bonds shall be taken and construed as made by and

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on the part of the Bank and not by the Trustee, and the Trustee shall not be under any responsibility for the correctness of the same.

SECTION 9.8 Trustee May Rely on Certificates. Subject to the provisions of Section 9.1(b), the Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of this Indenture, upon any resolution, order, notice, request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of the Loan Agreement or this Indenture, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

SECTION 9.9 Qualification of the Trustee. There shall at all times be a Trustee hereunder. Any successor Trustee hereunder shall be a trust company or commercial bank (having trust powers) organized and doing business and in good standing under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having unimpaired capital and surplus of at least \$75,000,000, subject to supervision or examination by federal or state authority and acceptable to the Bond Insurer. If such trust company or bank publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the unimpaired capital and surplus of such association or corporation shall be deemed to be its unimpaired capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in Section 9.10 hereof.

SECTION 9.10 Resignation and Removal of Trustee.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 9.11 hereof and until notice of resignation or removal and appointment, as the case may be, shall have been provided to the Bond Insurer.

(b) The Trustee may resign at anytime by giving written notice thereof to the Bank, the Bond Insurer, the County and the Bondholders. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within thirty (30) days after the giving of such notice of resignation, the retiring Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed for any breach of its obligations set forth herein at any time by an instrument or instruments in writing to the Trustee, with copies to the Bank, the Bond Insurer and the County, signed by the County and the Bank and delivered to the Trustee, the Bank and the County (such instruments to be effective only when received by the Trustee). In addition, the Trustee may be removed at any time, at the request of the Bond Insurer, for any breach of its obligations set forth herein.

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(d) If at any time

(i) the Trustee shall cease to be eligible under Section 9.9 hereof and shall fail to resign after written request therefor by the County by any Bondholder, or

(ii) the Trustee shall become incapable of acting or shall be adjudged bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, (1) the Bank, in its discretion and without obligation, or the County, may remove the Trustee, or (2) any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor but only, in each case, with the prior written approval of the Bond Insurer.

(e) If the Trustee shall be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause other than resignation (it being understood that no vacancy may occur as a result of resignation since the Trustee may not resign unless a successor has been appointed) or if the Trustee tenders its resignation, the Bank with the approval of the County and the Bond Insurer (so long as the County is not in default hereunder) shall promptly appoint a successor provided the Bank shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Bank in connection therewith as such costs and expenses accrue. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an instrument or concurrent instruments in writing executed by the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and delivered to the County and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Bank. If no successor Trustee shall have been so appointed by the Bank or the Bondholders and accepted appointment in the manner hereinafter provided, any Bondholder who has been a bona fide owner of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Bank shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to all Bondholders upon the written request of the Trustee and provided the Bank shall be furnished with sufficient funds to pay all costs and expenses (including attorneys fees) reasonably incurred by the Bank in connection therewith as such costs and expenses accrue. Each notice shall include the name and address of the principal corporate trust office of the successor Trustee.

(g) Notwithstanding, any other provision of this Indenture, no removal, resignation or termination of the Trustee shall take effect until a successor, acceptable to the Bond Insurer, shall be appointed.

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SECTION 9.11 Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor, and also to the Bank and the County, an instrument in writing accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, shall become fully vested with all the rights, immunities, powers and trusts, and subject to all the duties and obligations, of its predecessors; but such predecessor shall, nevertheless, on the written request of its successor or of the Bank and upon payment of the expenses, charges and other disbursements of such predecessor which are payable pursuant to the provisions of Section 9.4 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights, immunities, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all property and moneys held by it hereunder to its successor, subject, nevertheless, to its preference, if any, provided for in Sections 9.2 and 9.4 hereof. Should any instrument in writing from the Bank be required by any successor Trustee for more fully and certainly vesting in such Trustee the rights, immunities, powers and trusts hereby vested or intended to be vested in the predecessor Trustee, such instrument in writing shall and will be executed, acknowledged and delivered by the Bank upon the written request of the Trustee and provided the Bank shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Bank in connection therewith as such costs and expenses accrue.

Notwithstanding any of the foregoing provisions of this Article, any bank or trust company having power to perform the duties and execute the trusts of this Indenture and otherwise qualified to act as Trustee hereunder into which the bank or trust company acting as Trustee may be merged or consolidated, or to which the corporate trust assets and corporate trust business of such bank or trust company may be sold, shall be deemed the successor of the Trustee.

SECTION 9.12 Co-Trustee. It is the purpose hereof that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banks or trust companies to transact business as trustee in such jurisdiction. It is recognized that in case of litigation hereunder and in particular in case of the enforcement of this Indenture upon the occurrence of an Event of Default, it may be necessary that the Trustee appoint an additional individual or institution as a separate Trustee or Co-Trustee. The following provisions of this Section are adapted to these ends.

Upon the incapacity or lack of authority of the Trustee, by reason of any present or future law of any jurisdiction, to exercise any of the rights, powers and trusts herein granted to the Trustee or to hold title to the trust estate or to take any other action which may be necessary or desirable in connection therewith, each and every remedy, power, right, claim, demand, cause of action, annuity, estate, title, interest and lien expressed or intended to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in a separate Trustee or Co-Trustee appointed by the Trustee but only to the extent necessary to enable the separate Trustee or Co-Trustee to exercise such rights, powers and trusts, and every agreement and obligation necessary to the exercise thereof by such separate Trustee or Co-Trustee shall run to and be enforceable by either of them.

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Should any deed, conveyance or instrument in writing from the Bank be required by the separate Trustee or Co-Trustee so appointed by the Trustee in order to more fully and certainly vest in and confirm to him or it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments shall, on request, be executed, acknowledged and delivered by the Bank upon the written request of the Trustee and provided the Bank shall be furnished with sufficient funds to pay all costs and expenses (including attorneys' fees) reasonably incurred by the Bank in connection therewith as such costs and expenses accrue. In case any separate Trustee or Co-Trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate Trustee or Co-Trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate Trustee or Co-Trustee.

SECTION 9.13 Disclosure Documents. The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, private placement memorandum, offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

SECTION 9.14 Remarketing Agent.

(a) Sisung Securities Corporation, New Orleans, Louisiana, has been appointed as the initial Remarketing Agent. The initial Remarketing Agent has accepted such appointment and the duties and obligations imposed by this Indenture by executing and delivering an agreement satisfactory to the County and the Trustee.

(b) The Remarketing Agent may resign at any time by giving sixty (60) days' notice to the other Financing Participants. No such resignation shall become effective until a successor Remarketing Agent has been appointed and has accepted its duties and obligations hereunder.

(c) The County may, with the consent of the Standby Purchaser and the Bond Insurer, remove the Remarketing Agent at any time upon sixty (60) days' notice to the Remarketing Agent and the other Financing Participants. No such removal shall become effective until a successor Remarketing Agent has been appointed and has accepted its duties and obligations hereunder.

(d) If the Remarketing Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Remarketing Agent for any cause, the County shall, with the consent of the Standby Purchaser and the Bond Insurer, promptly appoint a successor Remarketing Agent. Any successor Remarketing Agent shall signify its acceptance of such appointment and its assumption of the duties and obligations imposed upon it by this Indenture by execution and delivery of an agreement satisfactory to the County and the Trustee.

(e) The Trustee shall give notice to Bondholders of each resignation and each removal of the Remarketing Agent and each appointment of a successor Remarketing Agent.

(f) In Section 4.4(7) of the Loan Agreement, the County agrees to pay the Trustee _____ () basis points per month as an addition to the Weekly Rate or Term Rate, as applicable, each month, which amount shall be deposited by the Trustee into the Servicing Account of the

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Debt Service Fund to provide for the remarketing fee pursuant to the Remarketing Agreement (the "Remarketing Fee"), the ongoing charges provided for in the Standby Bond Purchase Agreement (the "SBPA Fee"), the ongoing charges of any Rating Agency maintaining a rating on the Bonds, the ongoing charges of the Administrator, and any other ongoing charges associated with the Bonds. Upon receipt of an invoice or statement for any such fees, the Trustee shall confirm the calculation of the noted charges pursuant to the Remarketing Agreement, the Standby Bond Purchase Agreement, the Administration Agreement or as otherwise may be applicable, and pay or disburse any such fees from the Servicing Account. At the end of each Bond Year any remaining funds in the Servicing Account shall be deposited into the Interest Account of the Debt Service Fund to be used to pay the interest portion of debt service due on the Bonds.

(g) The Remarketing Agent shall not have a lien on the Trust Estate, funds provided by the Standby Purchaser pursuant to the Standby Purchase Agreement, funds provided by the Bond Insurer pursuant to the Financial Guaranty Insurance Policy, or Remarketing Proceeds for payment of its compensation or expenses.

SECTION 9.15 Trustee as Custodian of the Funds, Bond Registrar, Paying Agent and Tender Agent. The Trustee shall also act as the Tender Agent, Bond Registrar and Paying Agent, and shall perform such duties in such roles. Any successor Trustee shall also assume such duties in such roles. The provisions of Sections 9.10 and 9.11 shall apply to the Tender Agent and Bond Registrar to the same extent as such provisions apply to the Trustee.

The Trustee shall be custodian of the funds, bond registrar and paying agent for principal of and premium (if any) and interest on the Bonds. The Trustee shall be tender agent for the Bonds as provided in Article III hereof. The Trustee hereby agrees that in performing its duties as Tender Agent referred to in Article III hereof that it is acting as the agent and representative of the County and the Bondholders and not the agent or representative of the Bank. The Trustee hereby accepts all of its rights, and agrees to observe and perform all of its duties and obligations, as Tender Agent contained in the Remarketing Agreement.

The Trustee agrees to hold in the name and for the benefit of the Standby Purchaser any Bonds purchased with amounts provided under the Standby Purchase Agreement, except as otherwise provided herein, in the Standby Purchase Agreement or as otherwise agreed to by the Standby Purchaser.

The Trustee shall receive and hold in trust in non-comingled funds, (a) the Purchase Price of Tendered Bonds that have been remarketed for the benefit of the purchasers of such Tendered Bonds until the remarketed Tendered Bonds have been made available to the purchasers thereof, and (b) amounts provided by the Standby Purchaser hereunder. The Trustee shall receive and hold in trust Tendered Bonds for the benefit of the former Owners thereof until the Purchase Price of such Tendered Bonds (including remarketing proceeds and any amounts received from the Standby Purchaser when Tendered Bonds are not remarketed) for the benefit of Owners who have Tendered Bonds for purchase until such Owners present the actual Tendered Bonds to the Trustee. No such moneys held by the Trustee shall be considered moneys of the Bank, and the Bank shall not have any right, title or interest in or to such moneys; no such moneys shall be invested; and no Tendered Bonds purchased by the Trustee shall be deemed or purchased by for

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or on behalf of the Bank. All payments of the Purchase Price by the Standby Purchaser shall be made by the Standby Purchaser directly to the Trustee.

SECTION 9.16 Program Administrator.

(a) Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi, has been appointed Program Administrator in connection with the issuance of the Bonds. The Program Administrator has accepted such appointment by execution and delivery of the Administration Agreement in a form satisfactory to the County and the Trustee.

(b) Program Administrator may be terminated for cause with consent of the Bond Insurer at any time upon sixty (60) days' notice.

(c) The Trustee shall compute and collect the Program Administrator's compensation as part of the interest rate calculations paid by the County to the Trustee under the terms of the Trust Indenture, as more fully set forth in the Administration Agreement.

ARTICLE X.
SUPPLEMENTAL INDENTURES

SECTION 10.1 Supplemental Indentures Not Requiring Consent of Bondholders.

The Bank and the Trustee may, with the consent of the Bond Insurer and the Standby Purchaser but without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture as shall not be inconsistent with the terms and provisions hereof and in the opinion of the Trustee shall not materially and adversely affect the interest of the Bondholders for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or provide omitted language in this Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;

(c) To subject to the lien and pledge of this Indenture additional revenues, properties or collateral;

(d) To provide for the issuance of Additional Bonds in conformity with the provisions of Article V of this Indenture and to fix all details with respect thereto or to provide further conditions, limitations or restrictions on the issuance of Additional Bonds;

(e) To modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof or thereof under any federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted or required by any said federal statute or Blue Sky Law; provided, that any such indenture supplemental hereto referred to in this Section 10.1(e) shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds; or

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(f) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders.

SECTION 10.2 Supplemental Indentures Requiring Consent of Bondholders. Anything contained in this Indenture to the contrary notwithstanding, except for indentures supplemental hereto authorized by Section 10.1 of this Indenture and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, with the consent of the Bond Insurer and the Standby Purchaser, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Bank for the purpose of modifying, altering, amending, adding to or rescinding, in any particular instance, any of the terms or provisions contained in this Indenture or in any indenture supplemental hereto; provided, however, that nothing contained in this Section 10.2 shall permit, or be construed as permitting, without the consent of the Bond Insurer and the owners of all the Bonds then Outstanding (a) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount or premium of, or reduction in the rate or extension of the time of payment of interest on, any Bonds, or (b) the creation of any lien on the Trust Estate or any part thereof pledged under this Indenture prior to or on a parity with the lien of this Indenture, or (c) a reduction in the aforesaid aggregate Outstanding principal amount of Bonds the owners of which are required to consent to any such indenture supplemental hereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

If at any time the Bank shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section 10.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in Section 15.8 of this Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Bank following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 10.2 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

So long as no event of nonperformance under the Loan Agreement has occurred and is continuing, no such supplement shall become effective unless the County shall have given its prior written approval.

SECTION 10.3 Filing. Copies of any supplemental indenture shall be filed with the Trustee and delivered to the Bank and the County.

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SECTION 10.4 Reliance on Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel satisfactory to the Trustee, who may be counsel for the Bank, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article prior to joining in the execution of such supplemental indenture.

SECTION 10.5 Supplement Binding. Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be deemed to be supplemented, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Trustee, the Bank, the County and the owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modification and amendment.

SECTION 10.6 Amendments to Loan Agreement. The Bank and the County, with the approval of the Trustee in certain events, may consent to amendments to the Loan Agreement for the purposes and in the manner provided in the Loan Agreement and the Trustee agrees that it shall take the actions required of it as provided thereunder.

SECTION 10.7 Notice to Rating Agencies and Bond Insurer. No supplemental indenture shall be executed and delivered pursuant to Sections 10.1 or 10.2 hereof without prior written notice having been given by the Trustee to the Bond Insurer, the Standby Purchaser and S&P of the Trustee's intention to execute such supplemental indenture not less than 15 days in advance of the execution of said supplemental indenture. The Bank shall also furnish to the Bond Insurer a full transcript of all proceedings relative to the supplemental indenture.

ARTICLE XI
COVENANTS OF THE BANK

SECTION 11.1 Payment of Principal, Premium and Interest. The Bank covenants that it will promptly pay, or cause to be paid, the principal of, premium, if any, and the interest on every Bond at the places, on the dates and in the manner provided herein and in said Bonds according to the true intent and meaning thereof but solely from the revenues of the Trust Estate and not from any other fund or source. The Bank further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Loan Agreement or in any Bond executed, authenticated and delivered hereunder or in any proceedings of the Bank pertaining thereto.

SECTION 11.2 Additional Security. The Bank covenants, whenever and so often as reasonably required to do so by the Trustee, promptly to execute and deliver or cause to be delivered all such other and further instruments, documents or assurances, and to promptly do or cause to be done all such other further things, as may be necessary or reasonably required in order to further and more fully vest in the Trustee and the owners of the Bonds all rights, interest, powers, benefits, privileges and advantages conferred or intended to be conferred upon them by this Indenture.

SECTION 11.3 Cure Title Defects. The Bank covenants to promptly, upon the request of the Trustee, from time to time, take or cause to be taken such action as may be necessary or proper to remedy or cure any material defect in or cloud upon the title to the Trust Estate or any part thereof, whether now existing or hereafter developing, and to prosecute all such suits, actions and other proceedings as maybe appropriate for such purpose and to indemnify and save

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the Trustee and every owner of Bonds, solely from the Trust Estate, harmless from all loss, cost, damage and expense, including attorneys' fees, which they or either of them may ever incur by reason of any such defect, cloud, suit, action or proceedings.

SECTION 11.4 Defend Against Actions. The Bank covenants to defend or cause to be defended every suit, action or proceeding at any time brought against the Trustee or any owner of Bonds upon any claim arising out of the receipt, application or disbursement of any of the revenues of the Trust Estate or involving the Bank's, the Trustee's or such Bondholders' rights under this Indenture or the Loan Agreement and to indemnify and save harmless, solely from the Trust Estate, the Trustee and Bondholders against any and all liability claimed or asserted by any person whomsoever, arising out of such receipt, application or disbursement of any such revenues; provided, however, that the Trustee or any owner of Bonds at its or his election may appear in and defend against any such suit, action or proceeding; and notwithstanding any contrary provision hereof, this covenant shall continue and remain in full force and effect until all indebtedness, liabilities, obligations and other sums secured hereby have been fully paid and satisfied, and this Indenture has been released of record and the lien hereof discharged.

SECTION 11.5 Non-Impairment of Security. The Bank covenants that so long as any of the Bonds issued pursuant to this Indenture are Outstanding and unpaid, the Bank will not voluntarily consent to any amendment to the Loan Agreement or otherwise take any action which will reduce the amount of moneys made available thereunder to the Trustee, or which will in any manner impair or adversely affect the rights of the Bank or the Trustee or the security provided by this Indenture to the owners from time to time of the Bonds.

SECTION 11.6 Bank's Obligation Limited. Nothing in the Loan Agreement or this Indenture is intended to require or obligate nor shall anything therein be interpreted to require or obligate the Bank for any purpose or at any time whatsoever, to provide, apply or expend any funds coming into the hands of the Bank other than from the Trust Estate.

SECTION 11.7 Payments Under Swap Agreement. The Bank covenants and agrees that it will promptly pay the Swap Payments in accordance with the provisions of the Swap Agreement and this Indenture, provided that such Swap Payments are payable by the Bank solely from the Trust Estate pledged to the Trustee as security by the Bank to the extent of that pledge. Provided, further, the payment of any Swap Payments, Termination Payments and any other obligations of the Bank under the Swap Agreement shall be junior and subordinate to payment of the debt service on the Bonds.

ARTICLE XII
DEFEASANCE

SECTION 12.1 Payment. When all of the Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is retired, then this Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release this Indenture including the cancellation and discharge of the lien hereof, and execute and deliver to the Bank such instruments in writing as shall be requisite to satisfy the lien hereof and, if necessary, to enter on the records such satisfaction and discharge and to re-convey to the Bank any property or interest therein or other rights hereby conveyed and such other instruments to evidence such release and discharge as may be reasonably required by the Bank, and the Trustee shall assign and deliver to

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the Bank any property at the time subject to the lien of this Indenture which may then be in its possession, except amounts in any Fund otherwise required to be paid by this Indenture and except such cash and investments as are held by the Trustee for the payment of interest and premium, if any, on and retirement of the Bonds.

Notwithstanding the foregoing, the obligation of the County to pay the fees and expenses of the Trustee in accordance with the terms of this Indenture shall survive the defeasance of the Bonds, the discharge of this Indenture and the termination of the security provided by the Loan Agreement.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Financial Guaranty Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Bank, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Bank to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

SECTION 12.2 Provision For Payment. Any Bonds shall be deemed to have been paid and discharged within the meaning of Section 12.1, if the Trustee, or an escrow trustee, shall hold, in trust for and irrevocably committed thereto, moneys or Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if the Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice; provided, further that the rating on any Bonds be confirmed by S&P prior to any defeasance in any Interest Rate Mode except Bonds bearing interest at a Term Rate to the final maturity. Any moneys held in accordance with the provisions of this Section shall be invested only in Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held under this Section shall, as determined by the Trustee or the escrow trustee, to the extent not required for the purposes of this Section, be paid to the County as overpayment of Note. No forward supply contract may be entered into in connection with a defeasance without the prior written consent of the Bond Insurer.

SECTION 12.3 Certifications. The Bank covenants and agrees that it will furnish to the Trustee:

(a) Certificates or opinions made by officers of the Bank required by this Indenture stating that provisions of this Article relating to the satisfaction and discharge of this Indenture have been fulfilled; and

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(b) An opinion of Co-Bond Counsel in form and substance satisfactory to the Bond Insurer to the effect that the payment of the Bonds and the Note has been provided for in the manner set forth in the Indenture and the Loan Agreement, negatively and that all obligations of the Bank with respect to the Bonds have been discharged and satisfied; and

(c) In the case of an advance refunding, a mathematical verification prepared by a firm of independent certified public accountants satisfactory to the Bank (or other verification agent satisfactory to the Bond Insurer) that the Defeasance Obligations are sufficient to pay the principal of, premium, if any, and interest on the Bonds which are defeased.

ARTICLE XIII.
PROVISIONS PERTAINING TO BOND INSURER

SECTION 13.1 Consent of Insurer.

(a) Wherever the term "Owner", or a term of like meaning appears herein, the Bond Insurer shall be deemed to be an owner of a sufficient percentage of the Outstanding Bonds (1) to initiate any action or effect any demand which owners may initiate or effect, and (2) to approve or disapprove any action, forbearance or amendment which is subject to owner approval or initiation.

(b) Any provision of this Indenture providing for the discretionary consent of the Trustee shall be deemed to require the prior written consent or direction of the Bond Insurer, as appropriate in the circumstances.

SECTION 13.2 Notice to Bond Insurer.

(a) The Bond Insurer shall be deemed to be an owner of the Bonds insured by the Bond Insurer for all purposes, including, without limitation, the right to receive notice as an Owner.

(b) At the time that any notice is required to be given to the Trustee, the Bank, the County, an owner or any other party under this Indenture, like notice shall be given to the Bond Insurer. In addition, the Trustee shall immediately notify the Bond Insurer (1) not less than ten (10) Business Days in advance of the execution of any supplement, amendment or change to this Indenture and any other transaction document, with a copy of such notice to the Rating Agency, (2) upon any deficiency in any fund or account hereunder, (3) upon a direction from the Bank, upon it receiving direction of the County, to redeem all or any portion of the Bonds, other than a redemption pursuant to Section 3.4(a)(2) hereof, (4) upon the resignation or petition for removal of the Trustee or the appointment of a successor Trustee, and (5) upon any event of default or upon any event that with notice and/or with the lapse of time could become an event of default under this Indenture or the Loan Agreement.

(c) In connection with the issuance of Additional Bonds, the Bank shall deliver to the Bond Insurer a copy of the disclosure document, if any, circulated with respect to such Additional Bonds.

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(d) While the Financial Guaranty Insurance Policy is in effect, the Trustee shall furnish to the Bond Insurer (to the attention of the Surveillance Department unless otherwise indicated):

(i) As soon as practicable after the filing thereof, a copy of any financial statement of the County and a copy of any audit and annual report of the County at no cost to the Bond Insurer; and

(ii) Such additional information as it may reasonably request.

(e) A copy shall be provided to Ambac Assurance Corporation (Attention: Surveillance Department) of any notice to be given to the registered owners of the Bonds, including without limitation, a notice of any redemption of or defeasance of the Bonds, and any certificate rendered pursuant to this Indenture relating to the security for the Bonds at not cost to the Bond Insurer.

(f) To the extent that the Bank and County have entered into a continuing disclosure agreement with respect to the Bonds, the Bond Insurer shall be included as a party to be notified.

(g) The Bank will permit the Bond Insurer to discuss the affairs, finances and accounts of the Bank or any information the Bond Insurer may reasonably request regarding the security for the Bonds with appropriate officers of the Bank. The Trustee will permit the Bond Insurer to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(h) The Bond Insurer shall have the right to direct an accounting at the Bank's expense, and the Bank's failure to comply with such direction within thirty (30) days after receipt of written notice of the direction from the Bond Insurer shall be deemed a default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any owners of the Bonds.

(i) The Trustee shall notify the Bond Insurer (Attention: General Counsel Office) of any failure of the Bank to provide relevant notices, certificates, etc.

SECTION 13.3 Subrogation. Notwithstanding any other provision of this Indenture, in the event that the principal and premium, if applicable, and interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Financial Guaranty Insurance Policy, the assignment and pledge of the Trust Estate, and all covenants, agreements and other obligations to the owners shall continue to exist and shall run to the benefit of the Bond Insurer and the Bond Insurer shall be subrogated to the rights of such owners.

SECTION 13.4 Financial Guaranty Insurance Policy. As long as the Bond Insurance Policy shall be in full force and effect, the Bank, the Trustee and any Paying Agent agree to comply with the following provisions:

(a) At least one (1) day prior to all Weekly Rate Interest Payment Dates or Term Rate Interest Payment Dates, as applicable, the Trustee or Paying Agent, if any, will determine

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whether there will be sufficient funds in any fund created by virtue of this Indenture to pay the principal of or interest on the Bonds on such payment dates. If the Trustee or Paying Agent, if any, determines that there will be insufficient funds in any such Fund, the Trustee or paying agent, if any, shall so notify the Bond Insurer. Such notice shall specify the amount of the anticipated deficiency, the Bond to which such deficiency is applicable and whether such Bond will be deficient as to principal or interest, or both. If the Trustee or Paying Agent, if any, has not so notified the Bond Insurer at least one (1) day prior to the Weekly Rate Interest Payment Date or the Term Rate Interest Payment Date, as applicable, the Bond Insurer will make payments of principal or interest due on the Bonds on or before the first (1st) day next following the date on which the Bond Insurer shall have received notice of nonpayment from the Trustee or Paying Agent, if any.

(b) The Trustee or Paying Agent, if any, shall, after giving notice to the Bond Insurer as provided in (a) above, make available to the Bond Insurer and, at the Bond Insurer's direction, to The Bank of New York, as insurance trustee for the Bond Insurer or any successor insurance trustee (the "Insurance Trustee"), the registration records of the Bank maintained by the Trustee, or Paying Agent, if any, and all records relating to the funds maintained under this Indenture.

(c) The Trustee or Paying Agent, if any, shall provide the Bond Insurer and the Insurance Trustee with a list of registered owners entitled to receive principal or interest payments from the Bond Insurer under the terms of the Financial Guaranty Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the owners entitled to receive full or partial interest payments from the Bond Insurer and (ii) to pay principal upon Bonds surrendered to the Insurance Trustee by the owners of the Bonds entitled to receive full or partial principal payments from the Bond Insurer.

(d) The Trustee, or Paying Agent, if any, shall, at the time it provides notice to the Bond Insurer pursuant to (a) above, notify owners entitled to receive the payment of principal or interest thereon from the Bond Insurer (i) as to the fact of such entitlement, (ii) that the Bond Insurer will remit to them all or a part of the interest payments next coming due upon proof of owner entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance Trustee, of an appropriate assignment of the owner's right to payment, (iii) that should they be entitled to receive full payment of principal from the Bond Insurer, they must surrender their Bonds (along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee to permit ownership of such Bonds to be registered in the name of the Bond Insurer) for payment to the Insurance Trustee, and not the Trustee or Paying Agent, if any, and (iv) that should they be entitled to receive partial payment of principal from the Bond Insurer, they must surrender their Bonds for payment thereon first to the Trustee or Paying Agent, if any, who shall note on such Bond the portion of the principal paid by the Trustee or Paying Agent, if any, and then, along with an appropriate instrument of assignment in form satisfactory to the Insurance Trustee, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Trustee or Paying Agent, if any, has notice that any payment of principal of or interest on a Bond on a Weekly Rate Interest Payment Date or Term Rate Interest Payment Date, as applicable, which has become Due for Payment and which is made to an owner by or on behalf of the Bond Insurer has been deemed a preferential transfer and

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theretofore recovered from its owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Trustee or Paying Agent, if any, shall, at the time the Bond Insurer is notified pursuant to (a) above, notify all owners that in the event that any owner's payment is so recovered, such owner will be entitled to payment from the Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee or Paying Agent, if any, shall furnish to the Bond Insurer its records evidencing the payments of principal of and interest on the Bonds which have been made by the Trustee or Paying Agent, if any, and subsequently recovered from owners and the dates on which such payments were made.

(f) In addition to those rights granted the Bond Insurer under this Indenture, the Bond Insurer shall, to the extent it makes payment of principal of or interest on Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Financial Guaranty Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Trustee or Paying Agent, if any, shall note the Bond Insurer's rights as subrogee on the registration records of the Bank maintained by the Trustee or Paying Agent, if any, upon receipt from the Bond Insurer proof of the payment of interest thereon to the owners of the Bonds, and (ii) in the case of subrogation as to claims for past due principal, the Trustee or Paying Agent, if any, shall note the Bond Insurer's rights as subrogee on the registration records of the Bank maintained by the Trustee or Paying Agent, if any, upon surrender of the Bonds by the owners thereof together with proof of the payment of principal thereof.

SECTION 13.5 Default. Upon the occurrence and continuance of an Event of Default under this Indenture or the Loan Agreement, if the Bond Insurer is not in default in its payment obligations under the Financial Guaranty Insurance Policy, the Bond Insurer shall be entitled and have the right, notwithstanding any provision to the contrary, to control and direct the pursuit and enforcement of all rights and remedies as granted in such documents to the owners or the Trustee in connection with any Event of Default and to consent to all waivers of Events of Default. In such event the Bond Insurer shall have the right to, without limitation: (i) accelerate the principal of the Bonds, and (ii) annul any declaration of acceleration. Bonds may not be accelerated without the written consent of the Bond Insurer. The Bond Insurer shall indemnify and defend the Trustee with respect to any action taken or any failure to act in accordance with the instructions of the Bond Insurer pursuant to any document executed in connection with the Bonds.

SECTION 13.6 Rights of the Bond Insurer. Notwithstanding anything contained in this Indenture to the contrary, if at any time the Bond Insurer shall fail to make any payment in accordance with the Financial Guaranty Insurance Policy or any other bond insurance policy issued by the Bond Insurer with respect to municipal obligations or has been declared insolvent or bankrupt by a court of competent jurisdiction, an order or decree shall have been entered appointing a receiver, receivers, custodian or custodians for any of its assets or revenues, or any proceeding shall be instituted with the consent or acquiescence of the Bond Insurer or any plan shall be entered into by the Bond Insurer for the purpose of effecting a composition between the Bond Insurer and its creditors or for the purpose of adjusting the claims of such creditors, the Bond Insurer makes any assignment for the benefit of its creditors or the Bond Insurer files a petition in bankruptcy or under Title 11 of the United States Code, as amended, or the Financial

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Guaranty Insurance Policy has been determined to be void or unenforceable by final judgement of a court of competent jurisdiction and any such failure, condition or event shall be continuing, the Bond Insurer shall have no rights whatsoever under this Indenture, including without limitation, any right to direct that any action be taken, consent to anything or accelerate or enforce any Bonds and any action hereunder that requires the Bond Insurer's consent may be taken without obtaining such consent; provided that this Section 13.06 shall not in any way limit or affect the rights of the Bond Insurer as an owner, as a subrogee of an owner or as assignee of an owner or any other rights the Bond Insurer has by virtue of subrogation resulting from a payment made by the Bond Insurer under the Financial Guaranty Insurance Policy.

SECTION 13.7 Consent of the Bond Insurer in the Event of Insolvency. Any reorganization or liquidation plan with respect to the County or Bank must be acceptable to the Bond Insurer. In the event of any such reorganization or liquidation, the Bond Insurer shall have the right to vote for and on behalf of all persons who hold debt related instruments insured by the Bond Insurer absent a default by the Bond Insurer under the Financial Guaranty Insurance Policy insuring the Bonds.

SECTION 13.8 Other Matters Concerning the Bond Insurer.

(a) Notwithstanding any other provision of this Indenture, in determining whether the rights of the owners will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Trustee (or Paying Agent) shall consider the effect on the owners as if there were no Financial Guaranty Insurance Policy.

(b) To the extent that this Indenture confers upon or gives or grants to the Bond Insurer any right, remedy or claim under or by reason of this Indenture, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder.

(c) Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Bank, the Trustee, the Bond Insurer, the Paying Agent, if any, and the owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Indenture contained by and for and on behalf of the Bank shall be for the sole and exclusive benefit of the Bank, the Bond Insurer, the Paying Agent, if any, and the owners.

ARTICLE XIV.
SURETY BOND

SECTION 14.1 Provision Relating to the Surety Bond. The provisions of this Section govern as long as the Surety Bond is in force, notwithstanding anything to the contrary set forth in this Indenture:

(a) Any provisions of this Indenture expressly recognizing or granting rights in or to Ambac Assurance Corporation may not be amended in any manner which affects the rights of Ambac Assurance Corporation hereunder without the prior written consent of the Ambac Assurance Corporation.

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(b) Unless otherwise provided in this Section, Ambac Assurance Corporation's consent shall be required in addition to Bondholder consent, when required, for the following purposes: (i) execution and delivery of any Supplemental Indenture or any amendment, supplement or change to or modification of the Loan Agreement; (ii) removal of the Trustee or Paying Agent or selection and appointment of any successor trustee or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

(c) While the Surety Bond is in effect, the Bank or the Trustee, as appropriate, shall furnish to Ambac Assurance Corporation (to the attention of the Surveillance Department):

(i) as soon as practicable after the filing thereof, a copy of any financial statement of the County and a copy of any audit and annual report of the County; and

(ii) such additional information it may reasonably request.

(d) A copy shall be provided to Ambac Assurance Corporation (Attention: Surveillance Department) of any notice to be given to the registered owners of the Bonds, including, without limitation, notice of any redemption of or defeasance of the Bonds, and any certificate rendered pursuant to this Indenture relating to the security for the Bonds.

(e) The Bank will permit Ambac Assurance Corporation to discuss the affairs, finances and accounts of the Bank or any information Ambac Assurance Corporation may reasonably request regarding the security for the Bonds with appropriate officers of the Bank. The Trustee or Bank, as appropriate, will permit Ambac Assurance Corporation to have access to and to make copies of all books and records relating to the Bonds at any reasonable time.

(f) Notwithstanding any other provisions of this Indenture, the Trustee shall immediately notify Ambac Assurance Corporation (Attention: General Counsel Office) if at any time there are insufficient moneys to make any payments of principal and interest as required and immediately upon the occurrence of (i) any Event of Default hereunder or (ii) any payment default under any related security agreement.

(g) To the extent that the Bank and the County have entered into a continuing disclosure statement with respect to the Bonds, Ambac Assurance Corporation shall be included as party to be notified.

(h) The Trustee or Bank shall notify Ambac Assurance Corporation (Attention: General Counsel Office) of any failure of the Bank to provide relevant notices, certificates, etc.

SECTION 14.2 Payment Procedures Pursuant to the Surety Bond. As long as the Surety Bond shall be in full force and effect, the Bank, the Trustee and Paying Agent, if appropriate, agree to comply with the following provisions:

(a) In the event and to the extent that moneys on deposit in the Principal Account and Interest Account of the Debt Service Fund, plus all amounts on deposit in and credited to the Debt Service Reserve Fund in excess of the amount of the Surety Bond, are insufficient to pay the amount of principal and interest coming due, then upon the later of: (i) one (1) day after

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receipt by the General Counsel of Ambac Assurance Corporation of a demand for payment in the form attached to the Surety Bond as Attachment 1 (the "Demand for Payment"), duly executed by the Paying Agent certifying that payment due under the Indenture has not been made to the Paying Agent; or (ii) the payment date of the Obligations as specified in the Demand for Payment presented by the Paying Agent to the General Counsel of Ambac Assurance Corporation, Ambac Assurance Corporation will make a deposit of funds in an account with the Paying Agent or its successor, in New York, New York, sufficient for the payment to the Paying Agent, of amounts which are then due to the Paying Agent under the Indenture (as specified in the Demand for Payment) up to but not in excess of the Surety Bond Coverage, as defined in the Surety Bond; provided, however, that in the event that the amount on deposit in, or credited to, the Debt Service Reserve Fund, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency.

(b) the Trustee, or Paying Agent, if appropriate, shall, after submitting to Ambac Assurance Corporation the Demand for Payment as provided in (a) above, make available to Ambac Assurance Corporation all records relating to the Funds and Accounts maintained under this Indenture.

(c) the Trustee, or Paying Agent, if appropriate, shall, upon receipt of moneys received from the draw on the Surety Bond, as specified in the Demand for Payment, credit the Debt Service Reserve Fund to the extent of moneys received pursuant to such Demand.

(d) the Debt Service Reserve Fund shall be replenished in the following priority: (i) principal and interest on the Surety Bond and on the Additional Funding Instrument shall be paid from first available Revenues on a pro rata basis, (ii) after all such amounts are paid in full, amounts necessary to fund the Debt Service Reserve Fund to the required level, after taking into account the amounts available under the Surety Bond and the Additional Funding Instrument shall be deposited from next available Revenues on a pro rata basis.

**ARTICLE XV.
MISCELLANEOUS**

SECTION 15.1 Covenants of Bank Binds its Successors. In the event of the dissolution of the Bank, all of the covenants, stipulations, obligations and agreements contained in this Indenture by or on behalf of or for the benefit of the Bank shall bind or inure to the benefit of the successor or successors of the Bank from time to time and any officer, board, commission, authority, agency or instrumentality to whom or to which any power or duty affecting such covenants, stipulations, obligations and agreements shall be transferred by or in accordance with law, and the word "Bank" as used in this Indenture shall include such successor or successors.

SECTION 15.2 Preservation and Inspection of the Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Bank, the County and any Bondholder and their agents and their representatives, any of whom may make copies thereof.

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SECTION 15.3 Parties Interest Herein. Nothing in this Indenture expressed or implied, is intended or shall be construed to confer upon, or give or grant to, any person or entity, other than the Bank, the Trustee, the County, the Bond Insurer, the Standby Purchaser and the Bondholders, any right, remedy or claim or by reason of this Indenture or any covenant, agreement, condition or stipulation hereof and all covenants, stipulations, provisions and agreements in this Indenture contained by and on behalf of the Bank shall be for the sole and exclusive benefit of the Trustee, the Bond Insurer, the Standby Purchaser and the Bondholders.

SECTION 15.4 No Recourse on the Bonds. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereunder or under this Indenture against any trustee, director, officer, employee or agent of the Bank or of the Trustee. No recourse shall be had for payment of any amounts due under the Swap Agreement for any claim based thereunder against any trustee, director, officer, employee or agent of the Bank or of the Trustee.

SECTION 15.5 Severability. If any clause, provision or Section of this Indenture be held illegal or invalid by any court, the invalidity of such clause, provision or Section shall not affect any of the remaining clauses, provisions or Sections hereof and this Indenture shall be construed and enforced as if such illegal or invalid clause, provision or Section had not been contained herein. In case any agreement or obligation contained in this Indenture be held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Bank or the County, as the case may be, only to the extent permitted by law.

SECTION 15.6 Consents and Approvals; Consent of Bond Insurer. Whenever the written consent or approval of the Bank, the Trustee or the County shall be required under the provisions of this Indenture, such consent or approval shall not be unreasonably withheld or delayed.

Any provision of this Indenture expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer hereunder without the prior written consent of the Bond Insurer.

SECTION 15.7 Notices. All notices demands and requests to be given or made hereunder to or by the Bank, the Trustee, the Bond Insurer, the Standby Purchaser, the Remarketing Agent, S&P or the County, or their designated successors, shall be in writing and shall be properly made if hand delivered or sent by United States mail, postage prepaid, and addressed as follows:

If to Bank: Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202
Attention: Executive Director

If to the County: Harrison County, Mississippi
Post Office Drawer CC
Gulfport, Mississippi 39502
Attention: President of Board of Supervisors

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If to the Trustee: Hancock Bank
1855 Lakeland Drive
Suite P-231
Jackson, Mississippi 39216
Attention: Corporate Trust

If to the Bond Insurer: Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: Surveillance Department

If to the Standby Purchaser: Bank One, National Association

If to the Remarketing Agent: Sisung Securities Corporation
World Trade Center, Suite 2440
2 Canal Street
New Orleans, Louisiana 70130-1502
Attention: Public Finance

If to S&P: Standard & Poor's Ratings Group
55 Water Street
New York, New York 10041
Attention: Public Finance Department

Notice hereunder shall be deemed effective on the date of its receipt by the addressee. The above addresses may be changed at any time upon written notice of such change sent by United States mail, postage prepaid, to the other parties by the party effecting the change.

The Trustee shall give notice to S&P of any expiration, termination, extension, substitution or any change to the Standby Purchase Agreement. Further, the Trustee shall give notice to S&P of any redemption of the Bonds in whole under Section 3.4 hereof, defeasance of Bonds under Article XII herein, removal or resignation of Trustee, substitution or removal of the Bond Insurer, acceleration of the Bonds under Section 8.4 hereof, conversion of interest rate modes under Section 3.6 hereof and any amendments to this Indenture or the Loan Agreement permitted hereunder or thereunder, respectively.

Any notice required to be given by any party hereunder shall also be given to the Bond Insurer at the address specified above.

SECTION 15.8 Notices to Bondholders. Any notices or other communications required or permitted to be given to the Bondholders pursuant to this Indenture shall be mailed by first class mail in a sealed envelope, postage prepaid, addressed to each such Bondholder as his address last appears on the Bond Register. In case, by reason of the suspension of or

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irregularities in regular mail service, it shall be impractical to mail notice to the Bondholders of any event when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of such notice. Any notice herein required may be omitted if the owners of all the Bonds entitled to such notice give to the Trustee a written waiver of such notice.

SECTION 15.9 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

SECTION 15.10 Captions. The table of contents, captions and headings of the several articles and sections of this Indenture are for convenience only and shall not control, affect the meaning of or be taken as an interpretation of any provisions of this Indenture.

SECTION 15.11 Indenture to Constitute a Contract. This Indenture, upon execution by the Bank and the Trustee shall constitute a third party beneficiary contract between the Bank and the Trustee for the benefit of the Bond Insurer and of the owners of all Bonds issued hereunder.

SECTION 15.12 Performance on Legal Holidays. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption or purchase of any Bonds or the date fixed for the giving of notice or the taking of any action under this Indenture shall not be a Business Day, then payment of such interest, principal, purchase price and redemption premium, if any, the giving of such notice or the taking of such action need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption or purchase, and no interest on such payment shall accrue for the period after such date.

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IN WITNESS WHEREOF, the Bank has caused this Indenture to be executed by its Executive Director and has caused the seal of the Bank to be affixed hereto and attested by its Secretary and the Trustee has caused this Indenture to be executed in its behalf by a trust officer and its seal to be impressed hereon, all as of the day and year above written.

[SEAL]

MISSISSIPPI DEVELOPMENT BANK

By: _____
William T. Barry, Executive Director

ATTEST:

J. Vernon Smith, Secretary

HANCOCK BANK
as Trustee

By: _____
Susan R. Tsimortos, Vice President

[SEAL]

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EXHIBIT A
FORM OF BOND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee or its agent for registration of transfer, exchange, or payment, and any Bond is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-1 \$ _____

<u>Maturity Date</u> [*]	<u>Date of Initial Delivery</u>	<u>Interest Rate</u> ^{**}	<u>CUSIP</u>
	December __, 2003		
<u>Beginning of Term Rate Period</u>		<u>End of Term Rate Period</u> <u>Period</u>	
_____		_____	

MISSISSIPPI DEVELOPMENT BANK (the "Bank"), a political subdivision of the State of Mississippi created pursuant to the authority of Sections 31-25-1 *et seq.*, of the Mississippi Code of 1972, as amended, which term includes any successor entity under the Indenture hereinafter referred to), for value received, hereby promises to pay to

CEDE & CO.

or registered assigns, the principal sum of \$ _____

^{*}The Serial Maturity is to be inserted on the Bonds after Serial Maturities are assigned, as provided in Section 3.2 of the Indenture.

^{**}The Paying Agent is to insert one of the following, as appropriate: "Weekly Rate" or "Term Rate - _____ %".

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on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this Bond, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the Weekly Rate, the Term Rate or the Purchased Rate, as hereinafter provided.

Interest at the Weekly Rate and interest at the Term Rate for any Term Rate Period of 1 year or less shall be computed on the basis of a 365-day or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Term Rate for any Term Rate Period of more than 1 year shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest shall be payable on overdue principal on this Bond and (to the extent legally enforceable) on any overdue installment of interest on this Bond at the rate of interest last applicable to this Bond when such overdue principal or interest became delinquent.

Interest on this Bond shall be payable in arrears on the following dates:

- (1) with respect to interest payable at the Weekly Rate, (A) on the first Business Day of each month, commencing February 2, 2004, and (B) on the effective date of conversion of this Bond from the Weekly Rate Mode to the Term Rate Mode;
- (2) with respect to interest at a Term Rate for a Term Rate Period of 270 days or less, on the last day of the Term Rate Period; and
- (3) with respect to interest payable at the Term Rate for any Term Rate Period of more than 270 days, (A) on June 1 and December 1 in each year, and (B) on the last day of the Term Rate Period.

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture hereinafter referred to, be paid to the person in whose name this Bond is registered at the close of business on the Regular Record Date for such interest, which shall be (a) with respect to any Weekly Rate Interest Payment Date, the day immediately prior to such Weekly Rate Interest Payment Date, (b) with respect to any Term Rate Interest Payment Date for a Term Rate Period of 1 year or less, the day immediately prior to such Term Rate Interest Payment Date, and (c) with respect to any Term Rate Interest Payment Date for a Term Rate Period of more than 1 year, the 15th day (whether or not a Business Day) of the month next preceding such Term Rate Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered Holder on such Regular Record Date, and shall be paid to the person in whose name this Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of such Special Record Date being given to Holders of the Bonds not less than 15 days prior to such Special Record Date.

Payment of debt service on this Bond shall be made by the applicable method specified in the Indenture. All such payments shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

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This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the certificate of authentication hereon shall have been signed by a duly authorized representative of the Trustee.

This Bond is one of the duly authorized issue of the Bank's Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project) (the "Bonds"), issued under and secured by the Indenture (hereinafter defined) pursuant to which the Bank is issuing \$ _____ aggregate principal amount of said revenue bonds on behalf of Harrison County, Mississippi (the "County"), for the purpose of making to make a loan to the County secured by the Note and Loan Agreement (as hereinafter defined), fund a debt service reserve fund and pay for the costs of issuance of the Bonds and the Note. The Note is the \$ _____ Promissory Note (MSLoan Program-Harrison County, Mississippi 2003 Refunding Project), dated December 23, 2003 from the County to the Bank, issued pursuant to a loan agreement by and between the County and the Bank, dated on December 23, 2003 (the "Loan Agreement"). The Note will be paid from any legally available revenues of the County, as secured and described in the Loan Agreement. The proceeds received by the County under the Loan Agreement will be used by the County to provide funds for the current refunding and prepayment of the County's \$15,000,000 Promissory Note, dated December 18, 2000, and paying the cost of such borrowing.

The Bonds are issued pursuant to the laws of the State, particularly Sections 31-25-1 *et seq.*, of the Mississippi Code of 1972, as amended, and other constitutional and statutory authority supplemental thereto (the "Act"), and are issued and secured pursuant to a Trust Indenture, dated December 23, 2003 by and between the Bank and Hancock Bank, as Trustee (the "Trustee") (together with all amendments and supplements thereto called the "Indenture"), to which Indenture, a fully executed counterpart of which is on file in the principal corporate trust office of the Trustee, reference is hereby made for a more complete description of the assigned revenues constituting the Trust Estate, the nature and extent of the security, the terms and condition under which the Bonds are issued and secured, the terms and conditions under which Additional Bonds may be issued and secured under the Indenture on a parity with the Bonds, the rights, duties and immunities of the Trustee and the rights of the registered owners of the Bonds. The registered owner of this Bond shall have no rights to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture, and by acceptance of this Bond, the owner hereof assents to all of the provisions of the Indenture. All terms not defined herein shall have the meanings assigned thereto in the Indenture.

The Bonds are limited and special revenue obligations of the Bank and are payable solely from (i) payments received by the Bank from the County on the Note and (ii) all funds held by the Trustee under the Indenture and available for such payment, said payments and funds being herein referred to as the "Trust Estate". The Loan Agreement, a certified copy of which is on file in the principal corporate trust office of the Trustee, provides that the County is unconditionally obligated to make payments in an aggregate amount sufficient, with any other funds available therefor, for the payment in full of the principal of, premium, if any, and interest on all Bonds issued and Outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Bank and the Trustee.

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This Bond and the other Bonds, and the interest payable hereon and thereon, are payable solely by the Bank from the Revenues (as defined herein) and other funds of the Bank pledged therefor under the Indenture, which Revenues and funds include the payments on the Note (as defined in the Indenture) assigned to the Bank. All such money and funds and accounts referred to in the granting clauses of the Indenture are defined in the Indenture and are herein referred to as the "Revenues". The Bank has no taxing power. This Bond and the other Bonds, both as to principal and interest, do not constitute a debt, liability or loan of the credit of the State of Mississippi ("State") or any political subdivision thereof under the constitution or statutes of the State or a pledge of the faith and credit or the taxing power of the State or any political subdivision thereof. The issuance of the Bonds under the provisions of the Act, as hereinafter defined, does not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution or the statutes of the State and do not now and shall never constitute a charge against the credit of the State or any political subdivision thereof or a charge against the taxing power of the State or any political subdivision thereof. Neither the State nor any agent, attorney, member or employee of the State or of the Bank shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any agent, employee, attorney or member of the State or of the Bank, or any charge upon their general credit or upon the taxing power of the State. The State does hereby pledge to and agree with the holders of any Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Bonds, are fully met and discharged.

Exchange and Transfer of Bonds

As long as any of the Bonds remain Outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Bonds, the Bank or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Trustee shall not be required to register the transfer or exchange of (a) any Bond during the 15 day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in

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part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

The Bonds are issuable only as registered Bonds without coupons in Authorized Denominations, and shall be registered in the registry records of the Registrar in the name of a nominee of the Securities Depository. The Trustee shall make payments with respect to the Bonds in immediately available funds only to or upon the order of the Securities Depository or its nominee, and all such payments shall be valid and effective fully to satisfy and discharge the obligations with respect to such Bonds to the extent of the sum or sums so paid. No person other than the Securities Depository shall receive an authenticated Bond. Upon receipt by the County and the Trustee of written notice from the Securities Depository to the effect that the Securities Depository is unable or unwilling to discharge its responsibilities, the Trustee shall issue, transfer and exchange Bonds requested by the Securities Depository in appropriate amounts. Whenever the Securities Depository requests the County and the Trustee to do so, the County (at the expense of the County) and the Trustee will cooperate with the Securities Depository in taking appropriate action with the written consent of the Bond Insurer, for a substitute securities depository willing and able upon reasonable and customary terms to maintain custody of the Bonds or to make available Bonds registered in whatever name or names the Securities Depository shall designate at the expense of the County. If the Bond Insurer or the County or, with the prior written consent of the Bond Insurer, the County determines that it is desirable that certificates representing the Bonds be delivered to registered owners also notifies the Trustee in writing, the Trustee shall so notify the Securities Depository, whereupon the Securities Depository will notify the Participants of the availability through the Securities Depository of Bond certificates representing the Bonds. The cost of printing the definitive Bonds shall be borne by the County and any such printer shall be subject to reasonable approval by the County. In such event, at the direction of the County, the Trustee shall authenticate, transfer, and exchange Bond certificates provided by the County to the registered owners in the authorized denominations requested by the County.

Notwithstanding any other provision of this Bond to the contrary, so long as any Bond is registered in the name of a nominee of the Securities Depository, all payments with respect to such Bond and all notices with respect to such Bond shall be made and given to the registered nominee.

In addition to the words and terms defined elsewhere in this Bond, the following terms shall have the following meanings:

"Book-entry Form" or "Book-entry System" means, with respect to the Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in Bonds may be transferred only through a book-entry and (ii) physical Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as Holder, with the physical Bond certificates "immobilized" in the custody of the Securities Depository. The book-entry system maintained by and the responsibility of the Securities Depository and not maintained by or the responsibility of the County or the Trustee is the record that identifies, and records the transfer of the interests of, the owners of beneficial (book-entry) interests in the Bonds.

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“Securities Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book-entry system to record ownership of book-entry interests in Bonds, and to effect transfers of book-entry interests in Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

“Participants” shall mean broker-dealers, banks and other financial institutions and other persons or organizations for whom, from time to time, the Securities Depository effects book-entry transfers and pledged of securities deposited with the Securities Depository.

The Indenture permits certain amendments or supplements to the Loan Agreement, the Indenture and the Note not prejudicial to the Holders to be made with the consent of the Bond Insurer but without the consent of or notice to the Holders, and other amendments or supplements thereto to be made with the consent of the Bond Insurer and the Holders of at least a majority in aggregate principal amount of the Bonds and any Additional Bonds then Outstanding.

Sisung Securities Corporation, New Orleans, Louisiana, has been appointed as the initial “Remarketing Agent” pursuant to the Indenture. The Remarketing Agent may be removed or may resign, and a successor may be appointed, subject to certain terms and conditions specified in the Indenture.

Interest Rates

Each Bond shall bear interest at the Weekly Rate, the Term Rate or the Purchased Rate, as described below. The Paying Agent shall specify on each Bond certificate, in the space provided, which Interest Rate Mode is in effect with respect to such Bond. If a Term Rate is in effect with respect to such Bond, the Paying Agent shall also specify on the certificate for such Bond the Term Rate and the beginning and end of the Term Rate Period.

Weekly Rate

The Weekly Rate shall be a fluctuating rate per annum determined periodically by the Remarketing Agent. The Weekly Rate shall be determined on the date of initial delivery of the Bonds, on the date of conversion of any Bonds to the Weekly Rate Mode and on the last Business Day before each Thursday. Interest accrual at the Weekly Rate so determined shall begin on (and shall include) (A) the date of determination, if such date is the date of initial delivery or a Conversion Date, or (B) the Thursday following the date of determination, and shall end on (but shall not include) the next Thursday (or, if sooner, a Conversion Date); provided, however, that if the Remarketing Agent fails to determine the Weekly Rate on any such determination date, the immediately preceding Weekly Rate shall be deemed to be the rate determined.

The Weekly Rate with respect to the Bonds shall be determined by the Remarketing Agent and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Bonds being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as

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they exist on such date; provided, however, that the Weekly Rate may never exceed the Maximum Rate.

Upon the request of any Bondholder, the Paying Agent shall confirm (by telephone and in writing, if so requested) the Weekly Rate then in effect.

Term Rate and Term Rate Periods

The Term Rate for any Bond shall be a fixed rate per annum determined by the Remarketing Agent for a Term Rate Period specified by the County in the notice of conversion of such Bond to the Term Rate Mode. Each Term Rate Period may be for any period of 30 or more days, subject to the terms and conditions of the Indenture.

Not later than the last Business Day prior to the date proposed for conversion of a Bond to the Term Rate Mode, the Remarketing Agent shall determine the interest rate for the Term Rate Period, which shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of such Bond being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as exist on such date, and assuming that the Term Rate Period began on such date; provided, however, that the Term Rate may not exceed the Maximum Rate.

Purchased Rate

The Indenture provides for a special interest rate (referred to as the "Purchased Rate") on Bonds purchased by the Standby Purchaser pursuant to the Standby Purchase Agreement. The Purchased Rate is not considered a separate Interest Rate Mode for purposes of the interest rate conversion provisions of the Indenture, and the Purchased Rate and related interest payment provisions are not applicable to Bonds owned by persons other than the Standby Purchaser.

Conversion of Interest Rate Modes

The County may effect a conversion of the Interest Rate Mode on a Bond at its option, subject to certain terms and conditions contained in the Indenture. No such conversion is permitted during a Term Rate Period. On any Conversion Date the Bond to be converted must be purchased pursuant to the Mandatory Tender provisions of the Indenture referred to below. If a notice of Mandatory Tender is given by the Paying Agent in connection with a proposed conversion of a Bond to a different Interest Rate Mode, such Bond shall be subject to a Mandatory Tender on such date notwithstanding the revocation of the election to effect such conversion or the failure to satisfy the conditions for such conversion.

Optional Tender

The Holder of any Bond shall have the right to tender such Bond to the Paying Agent for purchase in whole or in part on any Business Day while such Bond is in the Weekly Rate Mode (but not while such Bond is in the Term Rate Mode). The Purchase Price shall be 100% of the principal amount of the Bond to be purchased plus accrued interest thereon to the Optional Tender Date. In order to exercise such option with respect to any Bond, the Holder thereof must

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deliver notice thereof to the Paying Agent, as provided below, at least 7 days prior to the proposed Optional Tender Date.

Any such notice of Optional Tender must be duly executed by the Bondholder and must specify (a) the name of the registered Holder of the Bond to be tendered for purchase, (b) the Optional Tender Date, (c) the certificate number and principal amount of such Bond, and (d) the principal amount of such Bond to be purchased (if such amount is less than the entire principal amount, both the amount to be purchased and the amount remaining must be in an Authorized Denomination). A form of the Optional Tender Notice may be obtained from the Paying Agent upon request.

If any notice of Optional Tender specifies an Optional Tender Date that is not a Business Day, then such notice shall be deemed to specify the next following Business Day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Bond is being tendered for purchase, the Holder will be deemed to have tendered the Bond in its entire principal amount for purchase.

Upon delivery of a written notice of Optional Tender, the election to tender shall be irrevocable and binding upon such Holder and may not be withdrawn.

If a written notice of Optional Tender shall have been duly given with respect to any Bond, the Holder of such Bond shall deliver such Bond to the Office of the Paying Agent on the Optional Tender Date, together with all necessary endorsements for transfer. If only a portion of such Bond is to be purchased (as a result of the exercise of the Optional Tender right only with respect to such portion), the Bank shall execute and the Paying Agent shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Bond surrendered. Any Bond (or portion thereof) that is to be so purchased but that is not so delivered to the Paying Agent (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered by the Holder thereof on the Optional Tender Date.

If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to have been tendered for purchase and purchased from the Holder thereof on such Optional Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the Optional Tender Date.

Bondholders may exercise Optional Tender rights notwithstanding the existence of a default under the Indenture.

Mandatory Tender

The Holder of each Bond shall be required to tender such Bond to the Paying Agent for purchase on the following dates:

- (1) Each Conversion Date with respect to such Bond.

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(2) The last day of a Term Rate Period with respect to such Bond.

(3) 20 days after the Trustee receives written notice from the Standby Purchaser stating that an event of default, as defined in the Standby Purchase Agreement, has occurred and is continuing under Section 8.01(c) of the Standby Purchase Agreement.

(4) On any date proposed for delivery of a Substitute Standby Purchase Agreement pursuant to the Indenture.

(5) 5 days prior to the Stated Expiration Date of the Standby Purchase Agreement or cancellation of the Standby Purchase Agreement pursuant to the Indenture.

(6) 20 days after the Trustee receives written notice from the Bond Insurer (A) stating that the senior unsecured short-term debt rating of the Standby Purchaser has been reduced below "A1" by S&P or withdrawn for a period of not less than 90 days, (B) stating that the County has not delivered a Substitute Standby Purchase Agreement meeting the requirements of the Indenture, and (C) directing the Trustee to effect a Mandatory Tender of the Bonds pursuant to the provisions of the Indenture.

(7) 20 days after the Trustee receives written notice from the Standby Purchaser (A) stating that the financial strength rating of the Bond Insurer by S&P has been reduced below the second highest rating category or withdrawn for a period of not less than 90 days and (B) directing the Trustee to effect a Mandatory Tender of the Bonds pursuant to the provisions of the Indenture.

If any of such dates is not a Business Day, the Mandatory Tender Date shall be the next succeeding Business Day. The Purchase Price shall be 100% of the principal amount of the Bond to be purchased plus accrued interest thereon to the Mandatory Tender Date.

No notice is required for a Mandatory Tender on the last day of a Term Rate Period. Notice of any other Mandatory Tender shall be given by the Trustee by registered or certified mail, mailed to the Holder of the affected Bond at the address of such Holder appearing on the Bond Register not less than 15 days prior to the Mandatory Tender Date.

Any Bond subject to Mandatory Tender shall be tendered by the Holder thereof for purchase on the Mandatory Tender Date, by delivering such Bond to the Office of the Paying Agent, together with all necessary endorsements for transfer. If only a portion of such Bond is to be purchased (as a result of conversion of only a portion of such Bond to another Interest Rate Mode), the County shall execute and the Paying Agent shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and interest rate and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Bond surrendered. Any such Bond (or portion thereof) that is to be so purchased but that is not so delivered to the Paying Agent on the Mandatory Tender Date (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

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If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to be tendered for purchase and purchased from the Holder thereof on such Mandatory Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the relevant Mandatory Tender Date.

After notice of a Mandatory Tender has been given by the Paying Agent with respect to any Bond, such Bond shall be subject to Mandatory Tender notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

Purchase of Tendered Bonds By Standby Purchaser

Pursuant to the Standby Purchase Agreement, Bank One, National Association (the "Standby Purchaser") has agreed to purchase Tendered Bonds that are not remarketed, subject to the terms and conditions of that Standby Purchase Agreement.

If certain events occur that are described in the Standby Purchase Agreement (relating to insolvency of the Bond Insurer or default by the Bond Insurer under the Policy) the Standby Purchaser's obligation to purchase Tendered Bonds may be terminated without notice to Bondholders.

The Indenture permits delivery of a substitute Standby Purchase Agreement and also permits cancellation of the Standby Purchase Agreement; however, a Mandatory Tender is required before substitution or cancellation becomes effective.

Redemption of Bonds

In the manner and with the effect provided in the Indenture, the Bonds will be subject to redemption prior to Maturity as follows:

(I) Optional Redemption. Bonds may be redeemed at the option of the County as follows:

(A) On any date when a Bond is in the Weekly Rate Mode and on any Conversion Date with respect to a Bond, such Bond may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption.

(B) During any Term Rate Period of 5 years or less with respect to a Bond, such Bond shall not be subject to optional redemption. During any Term Rate Period of more than 5 years with respect to a Bond, such Bond may be redeemed in whole or in part on or after the First Optional Call Date (as defined below) at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the First Optional Call Date but prior to the first anniversary of the First Optional Call Date; 1% if the date of redemption is on or

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after the first anniversary of the First Optional Call Date but prior to the second anniversary of the First Optional Call Date; and without premium if the date of redemption is on or after the second anniversary of the First Optional Call Date. For any Term Rate Period of more than 5 years but not more than 10 years, the First Optional Call Date shall be the fifth anniversary of the beginning of the Term Rate Period. For any Term Rate Period of more than 10 years but not more than 20 years, the First Optional Call Date shall be the anniversary of the beginning of the Term Rate Period that is on or immediately after the midpoint of such Term Rate Period. For any Term Rate Period of more than 20 years, the First Optional Call Date shall be the tenth anniversary of the beginning of the Term Rate Period.

(2) Scheduled Mandatory Redemption. Unless Serial Maturities have been assigned to the Bonds, the Bonds shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on December 1 in years and in principal amounts (after credit as provided below) as follows:

Redemption Date (December 1)	Amount	Redemption Date (December 1)	Amount
2004	\$	2014	\$
2005		2015	
2006		2016	
2007		2017	
2008		2018	
2009		2019	
2010		2020	
2011		2021	
2012		2022	
2013		2023	

Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Paying Agent shall proceed to select for redemption, first any Purchased Bonds and then by lot, Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Bonds or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Paying Agent not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Bonds

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scheduled for redemption on such date: (A) the principal amount of Bonds delivered by the County to the Paying Agent for cancellation and not previously claimed as a credit; (B) the principal amount of Bonds previously redeemed (other than Bonds redeemed pursuant to this paragraph) and not previously claimed as a credit; and (C) the principal amount of Bonds otherwise deemed "fully paid" and not previously claimed as a credit.

Except in the case of mandatory redemption of term Bonds, if less than all Bonds Outstanding are to be redeemed pursuant to the applicable optional redemption provisions, the principal amount of Bonds of each Maturity to be redeemed may be specified by the County by written notice to the Paying Agent, or, in the absence of timely receipt by the Paying Agent of such notice, shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate; provided, however, that the principal amount of Bonds of each Maturity to be redeemed must be in an Authorized Denomination.

If less than all Bonds with the same Maturity are to be redeemed, the particular Bonds of such Maturity to be redeemed shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Bonds of such Maturity of a denomination larger than the smallest Authorized Denomination.

Upon any partial redemption of any Bond the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Bonds of the same series and Maturity and in authorized form for the unredeemed portion of principal.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

Any redemption shall be made upon at least 30 days' notice in the manner and upon the terms and conditions provided in the Indenture.

Defaults and Remedies

If a Default under the Indenture shall occur, the principal of all Bonds then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

Miscellaneous

Modifications or alterations of the Indenture or any indenture supplemental thereto or of the Loan Agreement or any agreement supplemental thereto may be made only to the extent and in the circumstances permitted by the Indenture and the Loan Agreement. The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Bank and the owners of the Bonds at any time with the consent of the owners of a majority in aggregate principal amount of all Bonds at the time Outstanding. The Indenture also contains provisions permitting the owners of a majority in aggregate principal amount of all Bonds at the time Outstanding, on behalf of the owners of all Bonds, to waive compliance by the Bank with certain provisions of the Indenture and certain past

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defaults under the Indenture and their consequences. Any such consent or waiver by the owner of this Bond shall be conclusive and binding upon such owner and all future owners of this Bond and of any Bond issued in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

The Holder of this Bond shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture,

As provided in the Indenture and subject to certain limitations therein set forth, this Bond is transferable on the Bond Register maintained at the Office of the Paying Agent, upon surrender of this Bond for transfer at such office, together with all necessary endorsements for transfer, and thereupon one or more new Bonds of the same series and Maturity, of any Authorized Denominations and for a like aggregate principal amount, will be issued to the designated transferee or transferees.

As provided in the Indenture and subject to certain limitations therein set forth, the Bonds are exchangeable for other Bonds of the same series and Maturity, of any Authorized Denominations and of a like aggregate principal amount, as requested by the Holder surrendering the same.

No service charge shall be made for any transfer or exchange hereinbefore referred to, but the County may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

The County and the Paying Agent may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Bond is overdue, and neither the County nor the Paying Agent shall be affected by notice to the contrary.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY]

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IN WITNESS WHEREOF, the Mississippi Development Bank has caused this Bond to be executed in its name with the manual signature of its Executive Director, and to be attested, signed, subscribed and executed with the manual signature of its Secretary, all on December ____, 2003.

MISSISSIPPI DEVELOPMENT BANK

By: _____
William T. Barry, Executive Director

ATTEST:

James Vernon Smith, Sr., Secretary

[SEAL]

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

HANCOCK BANK,
as Trustee

By: _____
Authorized Officer

DATE OF AUTHENTICATION: _____

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VALIDATION CERTIFICATE

STATE OF MISSISSIPPI
COUNTY OF HINDS

The undersigned Secretary of the Mississippi Development Bank, **HEREBY CERTIFIES** that the within Bond was confirmed and validated by judgment of the First Judicial District of the Chancery Court of Hinds County Mississippi, rendered on the December __, 2003, that no intervention or objection was filed thereto and that no appeal has been taken therefrom.

WITNESS my signature and the seal of said Mississippi Development Bank.

Secretary, Mississippi Development Bank

(SEAL)

STATEMENT OF INSURANCE

Financial Guaranty Insurance Policy No. _____ (the "Policy") with respect to payments due for principal of and interest on this Bond has been issued by Ambac Assurance Corporation ("Ambac Assurance"). The Policy has been delivered to The Bank of New York, New York, as the Insurance Trustee under said Policy and will be held by such Insurance Trustee or any successor insurance trustee. The Policy is on file and available for inspection at the principal office of the Insurance Trustee and a copy thereof may be secured by Ambac Assurance or the Insurance Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of Ambac Assurance as more fully set forth in the Policy.

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ASSIGNMENT

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

SOCIAL SECURITY OR FEDERAL EMPLOYER
IDENTIFICATION NUMBER OF ASSIGNEE

(Name and Address of Assignee)

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

Dated: _____

Signature of Registered Owner:

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, without alteration or enlargement or any change whatever.

Signature guaranteed:

(NOTE: 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.)

(Authorized Officer)

TRANSFER FEE MAY BE REQUIRED
[End of Bond Form]

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EXHIBIT B

Form of Optional Tender Notice

Hancock, as Trustee
Jackson, Mississippi

Re: \$ _____ Mississippi Development Bank Special Obligation Bonds, Series
2001 (MSI loan Program - Harrison County, Mississippi 2003 Refunding Project)
(the "Bonds")

The undersigned is the registered owner of the following Bond, which is part of the
above-referenced issue of Bonds:

Certificate Number: _____
Principal Amount: _____

The undersigned hereby elects to have (check one as appropriate, and be certain to
designate the principal amount tendered, if less than the entire amount):

_____ the entire principal amount

_____ \$ _____ of the principal amount of such Bond (NOTE: If
such amount is less than the entire principal amount, both the
amount to be purchased and the remaining amount must be an
Authorized Denomination, as defined in the Indenture)

purchased on the following date (specify a business day that is at least 7 days after notice of
tender is delivered to the Paying Agent):

[Optional Tender Date]

**THE UNDERSIGNED ACKNOWLEDGES THAT THIS ELECTION IS
IRREVOCABLE AND BINDING ON THE UNDERSIGNED AND CANNOT BE
WITHDRAWN.**

Dated: _____

Print or Type:

Name(s) of Bondholder(s)

Address

Telephone Number

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Signature: _____
(The name(s) and signature(s) must correspond exactly to the name appearing on the registration records maintained by the Paying Agent)

Signature Guaranteed:

(NOTE: 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.)

By: _____
(Authorized Officer)

JACKSON 812795v3

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EXHIBIT C
FORM OF PRELIMINARY OFFICIAL STATEMENT

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PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER __, 2003

NEW ISSUE-BOOK-ENTRY ONLY

RATINGS: S&P - " / "

(Application made; See "RATINGS" herein)

In the opinion of Butler, Snow O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mammino, Peresich and McDermott, Biloxi, Mississippi, Co-Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is excludable from gross income for federal tax purposes pursuant to Section 103 of the Code. Such exclusion is conditional on continuing compliance with certain tax covenants of the Bank and the County. In the opinion of Co-Bond Counsel under existing laws, regulations, rulings and judicial decisions, interest on the Bonds is exempt from income taxation in the State of Mississippi. See "TAX MATTERS" herein and "APPENDIX E" attached hereto.

\$15,000,000*

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2003**

(MSLOAN PROGRAM-HARRISON COUNTY, MISSISSIPPI 2003 REFUNDING PROJECT)

Date of Delivery: _____ Price of All Bonds 100% Due: December 1, 20__

The Bonds will be dated the date of delivery thereof, and will be issuable only as fully registered bonds in the denominations of \$100,000 or any multiple of \$5,000 in excess thereof and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases may be made only in book entry form through the DTC Participants (as defined herein) and no physical delivery of the Bonds will be made to the Beneficial Owners (as defined herein), except as described herein. So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references herein to (bondholders or Registered Owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "BOOK-ENTRY ONLY-SYSTEM" herein. Payments of principal, premium, if any, and interest will be made to Cede & Co., as long as Cede & Co. is the Registered Owner of the Bonds. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants, as more fully described herein.

The Bonds are issued by the Mississippi Development Bank (the "Bank") under a Trust Indenture, dated the date of delivery of the Bonds, by and between the Bank and Hancock Bank, Gulfport, Mississippi, as Trustee (the "Trustee"), to provide funds for a Loan to the County, to (i) fund the Refunding Project, (ii) fund a Debt Service Reserve Fund and (iii) fund the Costs of Issuance Account (all as defined herein). The proceeds received by the County from the Loan will be used by the County to currently refund and prepay the County's \$15,000,000 Promissory Note, dated December 18, 2000, and to pay costs of the borrowing. See "DESCRIPTION OF THE PROJECT" herein.

All Bonds will initially be issued in the Weekly Rate Mode (as defined herein) and will be payable with respect to interest on the first Business Day of each month while such Bonds are in the Weekly Rate Mode and on the effective date of conversion of such Bonds from the Weekly Rate Mode to another Interest Rate Mode (as defined herein). Different Bonds may be in different Interest Rate Modes at the same time.

THE BONDS ARE SUBJECT TO OPTIONAL AND MANDATORY TENDER AND OPTIONAL AND MANDATORY REDEMPTION AS MORE FULLY DESCRIBED HEREIN.

THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BANK AND ARE PAYABLE SOLELY OUT OF THE TRUST ESTATE OF THE BANK PLEDGED THEREFOR UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI OR A PLEDGE OF THE FAITH, CREDIT, TAXING POWER OR MORAL OBLIGATION OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE BONDS ARE MORE FULLY DESCRIBED HEREIN. THE BANK HAS NO TAXING POWER.

Purchase of the Bonds involves a certain degree of risk, and reference is made to the caption "RISKS TO THE OWNERS OF THE BONDS" for a discussion of such risks.

Payment of the principal of and interest on the Bonds when due will be insured by a financial guaranty insurance policy to be issued by Ambac Assurance Corporation simultaneously with the delivery of the Bonds.

[INSERT LOGO]

The purchase price of the Bonds tendered or deemed tendered for purchase will be further secured by a liquidity facility in the form of a Standby Bond Purchase Agreement (the "Standby Purchase Agreement") provided by Bank One, National Association, Chicago, Illinois (the "Standby Purchaser").

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THE BONDS OR OF THE SECURITY THEREFOR. PROSPECTIVE INVESTORS MUST READ THIS ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued by the Bank and accepted by the Original Purchaser, subject to prior sale, to withdrawal or modification of the offer without notice and to the opinion as to legality and tax exemption of the Bonds by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mammino, Peresich and McDermott, Biloxi, Mississippi, Co-Bond Counsel. Certain legal matters will be passed upon for the Bank by Balch & Bingham, Gulfport, Mississippi, for the County by the Meadows Riley Law Firm, Gulfport, Mississippi, and for the Original Purchaser by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mammino, Peresich and McDermott, Biloxi, Mississippi. Holley, Grubbs, Micham & Phillips, Jackson, Mississippi, serves as the Financial Advisor to the Bank in connection with the sale and issuance of the Bonds. It is expected that delivery of the Bonds in definitive form will be made in Jackson, Mississippi, on or about December 23, 2003.*

SISING SECURITIES CORPORATION

*Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold in any other state where the Official Statement is delivered in final form. Under no circumstances shall the Preliminary Official Statement be used in any state where its use is prohibited by law. The Preliminary Official Statement is not intended to constitute an offer, solicitation or sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. The definitive Official Statement will be made available to investors upon request.

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

INFORMATION HEREIN HAS BEEN OBTAINED FROM THE BANK, THE COUNTY AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE ORIGINAL PURCHASER.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE BANK UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BANK (TO THE EXTENT DESCRIBED HEREIN) WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE ORIGINAL PURCHASER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT
\$15,000,000*
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2003
(MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI
2003 REFUNDING PROJECT)

December __, 2003

INTRODUCTION

The purpose of this Official Statement, including its Appendices, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the "Bank") of its Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), issued in the aggregate principal amount shown above (the "Bonds"). In addition to any terms defined elsewhere herein, capitalized terms used in the Official Statement have the meanings set forth in "APPENDIX A" hereto.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in this Official Statement, including the cover page and all Appendices hereto, and the documents summarized or described herein. A full review should be made of this entire Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement.

Authority and Purpose

The Bonds are being issued pursuant to the Act and a resolution of the Board of Directors of the Bank dated November 19, 2003, in order to fund the Bond Proceeds Fund to provide funds for the Loan to Harrison County, Mississippi (the "County"), to fund the Refunding Project (defined herein under "DESCRIPTION OF THE REFUNDING PROJECT"), fund the Debt Service Reserve Fund and fund the Costs of Issuance Account to pay Costs of Issuance. See "ESTIMATED SOURCES AND USES OF FUNDS." The County will utilize the proceeds of the Loan to provide funds for the Refunding Project. See "DESCRIPTION OF THE PROJECT."

The Bank

The Bank was established in 1986 as a separate body corporate and politic of the State for the public purposes set forth under the provisions of the Act. The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bank is governed by a nine-member Board of Directors. See "THE MISSISSIPPI DEVELOPMENT BANK" herein.

Pursuant to the Act the purpose of the Bank is to assist "local governmental units," as defined in the Act to be (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision State, (ii) the State or any agency thereof, (iii) the institutions of higher learning of the State, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the County, through programs of making loans to such local governmental units under loan agreements between such local governmental units and the Bank. Harrison County, Mississippi, the entity described in "APPENDIX B - INFORMATION ON THE COUNTY," is such a local governmental unit.

* Preliminary, subject to change.

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Financial Guaranty Insurance Policy

Concurrently with the issuance of the Bonds, Ambac Assurance Corporation, a Wisconsin domiciled stock insurance company (the "Bond Insurer" or "Ambac Assurance"), will issue its municipal bond insurance policy for the Bonds (the "Financial Guaranty Insurance Policy"). The Financial Guaranty Insurance Policy unconditionally guarantees the payment of that portion of the principal of the interest on the Bonds that has become due for payment, but shall be unpaid by reason of nonpayment by the Bank. See "FINANCIAL GUARANTY INSURANCE POLICY AND SURETY BOND" herein and "APPENDIX F" attached hereto.

The Indenture and Security

The Bonds will be issued under and pursuant to the Indenture. The principal of, premium, if any, and interest on any and all of the Bonds are payable solely from the Trust Estate (which includes the Note Payments) which is pledged therefor in accordance with the Indenture for the benefit of the owners of the Bonds without priority. The faith, credit, taxing power and moral obligation of neither the Bank, the County nor the State are pledged to the payment of the principal of, premium, if any, and interest on any of the Bonds. The Bonds are not a debt, liability, loan of the credit or pledge of the faith and credit of the Bank or the State or of any political subdivision thereof, including the County. The Bank has no taxing power and has only those powers and sources of revenue set forth in the Act. The Bonds are issued and secured separately from any other obligations issued by the Bank.

The Bonds are secured by the pledge of the Trust Estate established under the Indenture, defined to be all (i) all right, title and interest of the Bank in, to and under the Note and the Loan Agreement including the interest of the Bank in and to all Note Payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Bank under the Note and the Loan Agreement, (ii) all cash, moneys, securities and investments which may at any time and from time to time, pursuant to the provisions of the Indenture, be paid to the Trustee or be in the hands of the Trustee, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in the Indenture (other than the Rebate Fund), and (iii) all proceeds thereof. All Bonds will be secured equally and ratably by all of the foregoing. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein and "APPENDIX A" attached hereto.

The Indenture provides that in order to further secure the payment of principal of and interest on the Bonds, the Bank will establish thereunder a debt service reserve fund (the "Debt Service Reserve Fund") and maintain therein an amount (the "Debt Service Reserve Requirement") equal to 10% of the stated principal amount of the Bonds, which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Debt Service Reserve Fund" for further discussion of the Debt Service Reserve Fund. The Debt Service Reserve Fund will initially be funded with the Surety Bond (the "Surety Bond") to be issued by Ambac Assurance (the "Reserve Fund Credit Facility Issuer") in the amount of the Debt Service Reserve Requirement. See "FINANCIAL GUARANTY INSURANCE POLICY AND SURETY BOND" herein and "APPENDIX G" attached hereto.

The Standby Purchase Agreement

The Bank will enter into a Standby Bond Purchase Agreement, dated the date of issuance of the Bonds (the "Standby Purchase Agreement"), with Bank One, National Association, Chicago, Illinois (the "Standby Purchaser"), and the Trustee, whereby, subject to the terms and conditions of such Standby Purchase Agreement, the Standby Purchaser will agree to purchase any eligible Bond that is not

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remarketed after a tender of such Bond for purchase pursuant to the Optional Tender or Mandatory Tender provisions of the Indenture. See "STANDBY PURCHASE AGREEMENT" herein.

Risks of Ownership of Bonds

There are certain risks involved in the ownership of the Bonds which should be considered by prospective purchasers. The ability of the Bank to pay principal of, premium, if any, and interest on the Bonds depends solely upon the receipt by the Bank of Note Payments from the County which is obligated under the Loan Agreement to make such payments to the Trustee, as assignee of the Bank, together with investment earnings on certain amounts in the funds and accounts created in the Indenture. The Note Payments will be paid from any legally available revenues of the County. There can be no representation or assurance that the County will realize sufficient revenues to make the required Note Payments. There are numerous factors which may affect the ability of the County to generate sufficient revenues to be able to make the Note Payments.

Other Information About this Official Statement

This Official Statement speaks only as of its date, and certain information contained herein is subject to change. Copies of the Indenture, the Loan Agreement and the other documents described herein are available, upon request, and upon payment to the Bank of a charge for copying, mailing and handling, from William T. Barry, Executive Director, Mississippi Development Bank 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601)355-6232.

There follows in this Official Statement a description of the security and sources of payment for the Bonds, the Bank, the Note and summaries of certain provisions of the Bonds, the Indenture, the Note, the Loan Agreement and certain provisions of the Act. All discussions of the Act and the Indenture are qualified in their entirety by reference to the Act and the Indenture, and all discussions of the Bonds are qualified in their entirety by reference to the definitive form of the information with respect to the Bonds contained in the Indenture. Certain information relating to the Note and the Loan Agreement is set forth in "APPENDIX C - FORM OF LOAN AGREEMENT AND NOTE," certain information relating to the County is set forth in "APPENDIX B - INFORMATION ON THE COUNTY," definitions of certain terms and a summary of the Indenture are set forth in "APPENDIX A - DEFINITIONS AND SUMMARY OF INDENTURE," the proposed form of opinion of Co-Bond Counsel with respect to the Bonds is set forth in "APPENDIX D - FORM OF CO-BOND COUNSEL OPINION", certain financial information relating to the County is set forth in "APPENDIX E - HARRISON COUNTY, MISSISSIPPI AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002 AND FISCAL YEARS 2003 AND 2004 ADOPTED BUDGETS", the form of the Financial Guaranty Insurance Policy is set forth in "APPENDIX F - FINANCIAL GUARANTY INSURANCE POLICY SPECIMEN", and the form of the Surety Bond is set forth in "APPENDIX G - SURETY BOND SPECIMEN." Each of the Appendices to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Bonds.

DESCRIPTION OF THE REFUNDING PROJECT

The Refunding Project will consist of and is defined as providing funds to the County (in the form of the Loan) necessary for the current refunding and prepayment of the County's \$15,000,000 Promissory Note dated December 18, 2000 and originally issued to secure the County's obligations under the 2000 Loan Agreement, as set out in the Indenture. On the date of issuance and delivery of the Bonds, the Trustee will transfer \$ _____ to the 2000 Trustee pursuant to the 2000 Loan Agreement, which amount will be sufficient to effectuate the prepayment and current refunding of the 2000 Note at par and accrued interest and expenses.

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THE BONDS

General

The Bonds will be initially issued in the aggregate principal amount of \$15,000,000*. The Bonds will be dated as of the date of initial authentication and delivery thereof and will bear interest from such date, or the most recent date to which interest has been paid or duly provided for.

Interest Rate Modes

Each Bond shall bear interest at the Weekly Rate, the Term Rate or the Purchased Rate, as described below. Different Bonds may be in different Interest Rate Modes at the same time, subject to the requirements of the Indenture. All Bonds shall initially be issued in the Weekly Rate Mode. Any Bond may from time to time be converted to a different Interest Rate Mode, as provided in the Indenture. The Paying Agent shall specify on each Bond certificate, which Interest Rate Mode is in effect with respect to such Bond.

Interest Payment Dates and Computation of Interest Accrual

Interest shall be payable in arrears on the following dates:

- (1) with respect to interest on any Bond payable at the Weekly Rate, on (i) the first Business Day of each month, commencing February 2, 2004, and (ii) the effective date of conversion of such Bond from the Weekly Rate Mode to a Term Rate Mode;
- (2) with respect to interest on any Bond payable at a Term Rate for a Term Rate Period of 270 days or less, on the last day of the Term Rate Period;
- (3) with respect to interest on any Bond payable at the Term Rate for any Term Rate Period of more than 270 days, (i) on June 1 and December 1 in each year and (ii) on the last day of each Term Rate Period; and
- (4) with respect to interest on any Purchased Bond (i) on the Purchased Bond Purchase Date (such interest being computed at the Interest Rate Mode in effect until such Purchase Date), (ii) on the first Business Day of each month while such Bond is a Purchased Bond, (iii) on the Purchased Bond Sale Date, if prior to maturity of such Bond, and (iv) at Maturity if such Bond remains a Purchased Bond until Maturity.

Interest at the Weekly Rate and interest at the Term Rate for any Term Rate Period of 1 year or less shall be computed on the basis of a 365-day or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Term Rate for any Term Rate Period of more than 1 year shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest at the Purchased Rate shall be computed on the basis of a 360-day year for the actual days elapsed.

Record Date for Interest Payments

The interest payable on any Bond on any interest payment date will be paid to the person in whose name such Bond is registered at the close of business on the Regular Record Date for such interest, which shall be (1) with respect to any Weekly Rate Interest Payment Date, the day immediately prior to

* Preliminary, subject to change.

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such Weekly Rate Interest Payment Date, (2) with respect to any Term Rate Interest Payment Date for a Term Rate Period of 1 year or less, the day immediately prior to such Term Rate Interest Payment Date, and (3) with respect to any Term Rate Interest Payment Date for a Term Rate Period of more than 1 year, the 15th day (whether or not a Business Day) of the month next preceding such Term Rate Interest Payment Date. Any interest not paid on the regular interest payment date will cease to be payable to the registered Holder on such Regular Record Date, and shall be paid to the person in whose name the Bond is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent, notice of such Special Record Date being given to Holders of the Bonds not less than 15 days prior to the Special Record Date.

Method of Payment

The Bonds will be issued in book-entry only form, as described below under "BOOK-ENTRY ONLY SYSTEM", and the method and place of payment will be as provided in the book-entry only system. In the event that the use of the book-entry only system for the Bonds is discontinued, the method and place of payment will be as described in the Indenture.

Weekly Rate

The Weekly Rate shall be a fluctuating rate per annum determined periodically by the Remarketing Agent while any Bond is in the Weekly Rate Mode, subject to the following terms and conditions:

(1) The Weekly Rate shall be determined (A) on the date of initial delivery of the Bonds, (B) on the date of conversion of any Bonds to the Weekly Rate Mode, and (C) on the last Business Day before each Thursday.

(2) Interest accrual at the Weekly Rate so determined shall begin on (and shall include) (A) the date of determination, if such date is the date of initial delivery or a Conversion Date, or (B) the Thursday following the date of determination, and shall end on (but shall not include) the next Thursday (or, if sooner, a Conversion Date); provided, however, that if the Remarketing Agent fails to determine the Weekly Rate on any such determination date, the immediately preceding Weekly Rate shall be deemed to be the rate determined.

(3) The Weekly Rate shall be determined by the Remarketing Agent and shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Bonds being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date; provided, however, that the Weekly Rate may never exceed the Maximum Rate.

(4) On each Weekly Rate determination date with respect to a Bond the Remarketing Agent shall give telephonic notice followed by written notice to the Paying Agent of the Weekly Rate so determined. Upon the request of the Holder of any Bond or any Financing Participant, the Paying Agent shall confirm (by telephone and in writing, if so requested) the Weekly Rate then in effect.

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Term Rate and Term Rate Periods

The Term Rate for any Bond shall be a fixed rate per annum determined by the Remarketing Agent for a Term Rate Period specified by the County in the notice of conversion of such Bond to the Term Rate Mode, subject to the following terms and conditions:

(1) The duration of a Term Rate Period shall be limited as follows:

(A) A Term Rate Period shall be for any period of 30 or more days;

(B) A Term Rate Period (other than a Term Rate Period extending to Maturity) must end on a Business Day. If the final day of a Term Rate Period specified by the County is not in fact a Business Day, then such Term Rate Period shall be deemed to extend to the next day that is a Business Day.

(C) If any Standby Purchase Agreement is to be effective during the Term Rate Period, the Standby Purchase Agreement must provide for payment of interest on the Bonds in an amount equal to interest at the Maximum Rate (i) for 183 days (computed on the basis of a 360-day year) if the Term Rate Period is more than 270 days, or (ii) for the actual number of days in the Term Rate Period if the Term Rate Period is 270 days or less (computed on the basis of a 365-day or 366-day year, as the case may be).

(D) If any Standby Purchase Agreement is to be effective during the Term Rate Period, the Term Rate Period must end at least 5 days prior to the Stated Expiration Date of the Standby Purchase Agreement.

(2) After receipt of notice that a Term Rate is to be established with respect to any Bonds, but not later than the last Business Day prior to the proposed Conversion Date, the Remarketing Agent shall determine the interest rate for the Term Rate Period, which shall be the lowest interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Bonds being 100% of the principal amount thereof on the date of such determination, taking into account relevant market conditions and credit rating factors as they exist on such date, and assuming that the Term Rate Period began on such date; provided, however, that the Term Rate may not exceed the Maximum Rate.

(3) Interest accrued at the Term Rate for any Term Rate Period shall begin on (and shall include) the first day of the Term Rate Period and shall end on (but shall not include) the last day of the Term Rate Period.

(4) The Remarketing Agent shall give electronic or telephonic notice to the Paying Agent of the Term Rate so determined, and shall promptly confirm such notice in writing. Upon the request of the Holder of any Bond or any Financing Participant, the Paying Agent shall confirm (by telephone and in writing, if so requested) the Term Rate so determined.

Purchased Rate

Notwithstanding the Interest Rate Mode otherwise in effect when Bonds are purchased by the Standby Purchaser pursuant to the Standby Purchase Agreement, Purchased Bonds shall bear interest at the Purchased Rate. Interest on Purchased Bonds is payable to the Standby Purchaser notwithstanding any provisions of the Indenture regarding the Regular Record Date or Special Record Date. Interest accrual at

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the Purchased Rate shall begin on (and shall include) the date such Bond is purchased by the Standby Purchaser pursuant to the Standby Purchase Agreement and shall end on (but shall not include) the date such Bond is remarketed pursuant to the Indenture.

Conversion of Interest Rate Mode

Different Bonds may be in different Interest Rate Modes at the same time, subject to the requirements of the Indenture. The Interest Rate Mode on a Bond shall automatically convert to the Weekly Rate Mode on the last day of a Term Rate Period, unless the Interest Rate Mode is effectively converted on such date to the Term Rate Mode for an additional Term Rate Period.

The County may effect a conversion of the Interest Rate Mode on any Bond at its option, subject to certain terms and conditions in the Indenture. No such conversion is permitted during a Term Rate Period. On any Conversion Date, such Bond must be purchased pursuant to the Mandatory Tender provisions of the Indenture referred to below. If a notice of Mandatory Tender is given by the Paying Agent in connection with a proposed conversion of a Bond to a different Interest Rate Mode, such Bond shall be subject to a Mandatory Tender on such date notwithstanding the revocation of the election to effect such conversion or the failure to satisfy the conditions for such conversion. No Interest Rate Mode conversion may occur without the prior written consent of the Bond Insurer.

Optional Tenders

The Holder of any Bond shall have the right to tender such Bond to the Paying Agent for purchase in whole or in part on any Business Day while such Bond is in the Weekly Rate Mode (but not while such Bond is in the Term Rate Mode) at a purchase price equal to 100% of the principal amount of the Bond (or portion thereof) tendered plus accrued interest to the specified purchase date (an "Optional Tender Date"). In order to exercise such option with respect to any Bond, the Holder thereof must deliver notice thereof to the Paying Agent, as provided below, at least 7 days prior to the proposed Optional Tender Date.

Any such notice of Optional Tender must be duly executed by the Bondholder and must specify (1) the name of the registered Holder of the Bond to be tendered for purchase, (2) the Optional Tender Date, (3) the certificate number and principal amount of such Bond, and (4) the principal amount of such Bond to be purchased (if such amount is less than the entire principal amount, both the amount to be purchased and the amount remaining must be in an Authorized Denomination). The written notice of Optional Tender must be substantially as set forth in the Indenture or in such other form as shall be acceptable to the Paying Agent.

If any notice of Optional Tender specifies an Optional Tender Date that is not a Business Day, then such notice shall be deemed to specify the next following Business Day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Bond is being tendered for purchase, the Holder will be deemed to have tendered the Bond in its entire principal amount for purchase.

The Paying Agent shall promptly deliver notice to the Trustee, the Remarketing Agent, the Bank and the Standby Purchaser specifying (1) the principal amount of the Bond for which a notice of Optional Tender has been given and (2) the proposed Optional Tender Date therefor.

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Upon delivery of a notice of Optional Tender, the election to tender shall be irrevocable and binding upon such Holder and may not be withdrawn. The Paying Agent shall, in its sole discretion, determine whether, with respect to any Bond, the Holder thereof shall have properly exercised the option to have his Bond purchased.

If a notice of Optional Tender shall have been duly given with respect to any Bond, the Holder of such Bond shall deliver such Bond to the office of the Paying Agent on the Optional Tender Date, together with all necessary endorsements for transfer. If only a portion of such Bond is to be purchased (as a result of the exercise of the Optional Tender right only with respect to such portion), the Bank shall execute and the Paying Agent shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same Maturity and interest rate and of any Authorized Denomination or Authorized Denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unpurchased portion of the principal amount of the Bond surrendered. Any Bond (or portion thereof) that is to be so purchased but that is not so delivered to the Paying Agent (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered by the Holder thereof on the Optional Tender Date.

On each Optional Tender Date the Paying Agent shall pay the Purchase Price to the Holder of each Bond (or portion thereof) properly tendered for purchase. Funds for payment of the Purchase Price of such Bonds shall be drawn by the Paying Agent from the Bond Purchase Fund as provided in the Indenture.

If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to have been tendered for purchase and purchased from the Holder thereof on such Optional Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the Optional Tender Date. The Paying Agent shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bond which is not tendered for purchase on any Optional Tender Date and, upon receipt by the Paying Agent of any such Unsurrendered Bond from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Bond to the Holder thereof and cancel such Unsurrendered Bond.

If the Trustee receives notice that an event of default exists under the Standby Purchase Agreement or that the Standby Purchaser is no longer obligated to purchase Bonds under the terms of the Standby Purchase Agreement, the Paying Agent shall promptly notify the Bondholders and the other Financing Participants that such notice has been received and that Bonds tendered for purchase pursuant to the Optional Tender provisions of the Indenture will no longer be purchased by the Standby Purchaser. The Bonds shall nevertheless be subject to Optional Tender under such circumstances in accordance with the Indenture, but the Purchase Price of Bonds so tendered will be paid only from Remarketing Proceeds or funds contributed by the County pursuant to the Indenture.

Anything in the Indenture to the contrary notwithstanding, Bondholders may exercise their Optional Tender rights notwithstanding the existence of an event of default under the Indenture.

Mandatory Tenders

The Holder of each Bond shall be required to tender such Bond to the Paying Agent for purchase on the following dates (each such date being herein called a "Mandatory Tender Date"):

- (1) each Conversion Date with respect to such Bond;

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(2) the last day of a Term Rate Period with respect to such Bond;

(3) 20 days after the Trustee receives written notice from the Standby Purchaser stating that an event of default, as defined in the Standby Purchase Agreement, has occurred and is continuing under Section 8.01(e) the Standby Purchase Agreement (relating to non-payment of certain fees);

(4) on any date proposed by the County for delivery of a Substitute Standby Purchase Agreement;

(5) 5 days prior to the Stated Expiration Date of the Standby Purchase Agreement or cancellation of the Standby Purchase Agreement by the County as provided in the Indenture;

(6) 20 days after the Trustee receives written notice from the Bond Insurer (A) stating that the senior unsecured short-term debt rating of the Standby Purchaser has been reduced below "A1" by S&P or withdrawn for a period of not less than 90 days, (B) stating that the County has not delivered a Substitute Standby Purchase Agreement meeting the requirements of the Indenture, and (C) directing the Trustee to effect a Mandatory Tender of the Bonds pursuant to the Indenture; and

(7) 20 days after the Trustee receives written notice from the Standby Purchaser (A) stating that the financial strength rating of the Bond Insurer by S&P has been reduced below the second highest rating category or withdrawn for a consecutive period of not less than 90 days and (B) directing the Trustee to effect a Mandatory Tender of the Bonds pursuant to the provisions of the Indenture.

If any of such dates is not a Business Day, the Mandatory Tender Date shall be the next succeeding Business Day.

No notice is required for a Mandatory Tender on the last day of a Term Rate Period. Notice of any other Mandatory Tender shall be given by the Paying Agent by registered or certified mail, mailed to the Holder of each affected Bond not less than 15 days prior to the Mandatory Tender Date. Such notice of Mandatory Tender shall

(1) specify the Mandatory Tender Date,

(2) state the reason for the Mandatory Tender (that is, the applicable event listed above),

(3) state the amount of such Bond subject to Mandatory Tender, and

(4) state that such Bond shall be delivered by the Holder thereof to the office of the Paying Agent on such Mandatory Tender Date, together with all necessary endorsements for transfer, and that such Bond (or the portion thereof to be purchased) shall be purchased on such Mandatory Tender Date at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, and that if such Bond is not so delivered to the Paying Agent such Bond (or the portion thereof to be purchased) shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

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Any Bond subject to Mandatory Tender shall be tendered by the Holder thereof for purchase on the Mandatory Tender Date, by delivering such Bond to the office of the Paying Agent, together with all necessary endorsements for transfer. Any such Bond that is to be so purchased but that is not so delivered to the Paying Agent on the Mandatory Tender Date (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date.

On the Mandatory Tender Date with respect to any Bond, the Paying Agent shall pay the Purchase Price to the Holder of such Bond. Funds for payment of the Purchase Price of such Bond shall be drawn by the Paying Agent from the Bond Purchase Fund as provided in the Indenture.

If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the Purchase Price of any Unsurrendered Bond, such Unsurrendered Bond shall be deemed to be tendered for purchase and purchased from the Holder thereof on such Mandatory Tender Date and the Holder of such Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the relevant Mandatory Tender Date. The Paying Agent shall issue a new Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bond which is not tendered for purchase on any Mandatory Tender Date and, upon receipt by the Paying Agent of any such Unsurrendered Bond from the Holder thereof, shall pay, or cause to be paid, the Purchase Price of such Unsurrendered Bond to the Holder thereof and cancel such Unsurrendered Bond.

After notice of a Mandatory Tender has been given by the Paying Agent with respect to any Bond, such Bond shall be subject to Mandatory Tender notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

If the Trustee receives notice that an event of default exists under certain provisions of the Standby Purchase Agreement as described below, or the Trustee, receives notice that the Standby Purchaser is no longer obligated to purchase Bonds under the purchase provisions of the Standby Purchase Agreement as described below, the Paying Agent shall promptly notify the Bondholders and the other Financing Participants that such notice has been received and that Bonds tendered for purchase pursuant to the Mandatory Tender provisions of the Indenture will no longer be purchased by the Standby Purchaser. The Bonds shall nevertheless be subject to Mandatory Tender under such circumstances in accordance with the provisions for Mandatory Tender discussed herein, but the Purchase Price of Bonds so tendered will be paid only from Remarketing Proceeds or funds contributed by the County pursuant to the Indenture.

Redemption Prior to Maturity

The Bonds shall be subject to redemption prior to Maturity as follows:

(1) **Optional Redemption.** The Bonds may be redeemed at the option of the Bank upon direction from the County as follows:

(A) On any date when a Bond is in the Weekly Rate Mode, and on any Conversion Date with respect to a Bond, such Bond may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption.

(B) During any Term Rate Period of 5 years or less with respect to a Bond, such Bond shall not be subject to optional redemption. During any Term Rate Period of more than 5 years with respect to a Bond, such Bond may be redeemed in whole or in part on or after the First Optional Call Date (as defined below) at a redemption price

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equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the First Optional Call Date but prior to the first anniversary of the First Optional Call Date; 1% if the date of redemption is on or after the first anniversary of the First Optional Call Date but prior to the second anniversary of the First Optional Call Date; and without premium if the date of redemption is on or after the second anniversary of the First Optional Call Date. For any Term Rate Period of more than 5 years but not more than 10 years, the First Optional Call Date shall be the fifth anniversary of the beginning of the Term Rate Period. For any Term Rate Period of more than 10 years but not more than 20 years, the First Optional Call Date shall be the anniversary of the beginning of the Term Rate Period that is on or immediately after the midpoint of such Term Rate Period. For any Term Rate Period of more than 20 years, the First Optional Call Date shall be the tenth anniversary of the beginning of the Term Rate Period.

- (a) The Bonds are subject to redemption prior to Maturity as follows:

Redemption of Bonds

(1) **Optional Redemption.** Bonds may be redeemed at the option of the Bank upon direction from the County as follows:

(A) On any date when a Bond is in the Weekly Rate Mode and on any Conversion Date with respect to a Bond, such Bond may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption.

(B) During any Term Rate Period of 5 years or less with respect to a Bond, such Bond shall not be subject to optional redemption. During any Term Rate Period of more than 5 years with respect to a Bond, such Bond may be redeemed in whole or in part on or after the First Optional Call Date (as defined below) at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the date of redemption plus a redemption premium (expressed as a percentage of principal amount redeemed) equal to whichever of the following shall be applicable: 2% if the date of redemption is on or after the First Optional Call Date but prior to the first anniversary of the First Optional Call Date; 1% if the date of redemption is on or after the first anniversary of the First Optional Call Date but prior to the second anniversary of the First Optional Call Date; and without premium if the date of redemption is on or after the second anniversary of the First Optional Call Date. For any Term Rate Period of more than 5 years but not more than 10 years, the First Optional Call Date shall be the fifth anniversary of the beginning of the Term Rate Period. For any Term Rate Period of more than 10 years but not more than 20 years, the First Optional Call Date shall be the anniversary of the beginning of the Term Rate Period that is on or immediately after the midpoint of such Term Rate Period. For any Term Rate Period of more than 20 years, the First Optional Call Date shall be the tenth anniversary of the beginning of the Term Rate Period.

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(C) So long as any Swap Agreement is in effect, no optional redemption of Bonds pursuant to the Indenture shall be affected unless any Termination Payment due in respect of such termination of the Swap Agreement has been paid in accordance with the Swap Agreement. Upon the deposit of moneys for the optional redemption of the Bonds in whole or in part, the Trustee shall provide notice thereof to the Calculation Agent under any Swap Agreement within three (3) Business Days of such deposit and request that the Calculation Agent under the Swap Agreement determine the Termination Payment due in respect of a notional amount equal to such original principal amount of Bonds to be redeemed. In the event funds are deposited for the full redemption of Bonds pursuant to an optional redemption of Bonds, the Bank shall provide for a full termination of the Swap Agreement and shall apply such moneys (including any Termination Payment receivable by the Bank in respect thereto) to the redemption of such Bonds (and to the payment of any Termination Payments payable to the Swap Counterparty) on the next possible date upon which Bonds may be redeemed.

(2) **Scheduled Mandatory Redemption of Bonds.** Unless Serial Maturities have been assigned to the Bonds, the Bonds shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on December 1 in years and principal amounts (after credit as provided below) as follows:

Redemption Date (December 1)	Amount	Redemption Date (December 1)	Amount
2004	\$	2014	\$
2005		2015	
2006		2016	
2007		2017	
2008		2018	
2009		2019	
2010		2020	
2011		2021	
2012		2022	
2013		2023	

Not less than 45 or more than 60 days prior to each such scheduled mandatory redemption date, the Paying Agent shall proceed to select for redemption, first any Purchased Bonds and then by lot, Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Bonds or portions thereof for redemption on such scheduled mandatory redemption date; provided, however, that the County may, upon direction delivered to the Paying Agent not less than 60 days prior to such scheduled mandatory redemption date, direct that any or all of the following amounts be credited against the principal amount of Bonds scheduled for redemption on such date: (i) the principal amount of Bonds delivered by the County to the Paying Agent for cancellation and not previously claimed as a credit; (ii) the principal amount of Bonds previously redeemed (other than Bonds redeemed pursuant to this paragraph) and not previously claimed as a credit, and (iii) the principal amount of Bonds otherwise deemed "fully paid" and not previously claimed as a credit.

* Preliminary, subject to change.

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(3) **Mandatory Redemption of Purchased Bonds.** One-tenth (1/10th) of the principal amount of Purchased Bonds outstanding on the Expiration Date of the Standby Purchase Agreement (the "Purchased Bond Balance") shall be redeemed, at a redemption price equal to 100% of the principal amount redeemed plus accrued interest to the redemption date, on each Purchased Bond Redemption Date following such Expiration Date. The County may, upon direction to the Paying Agent, claim a credit against such mandatory redemption requirements for any or all of the principal amount of such Purchased Bonds already redeemed (other than pursuant to this paragraph) and not previously claimed as a credit. Any remaining portion of the Purchased Bond Balance not previously redeemed shall be paid in full on the tenth Purchased Bond Redemption Date following such Expiration Date.

Bonds shall be redeemed in accordance with the mandatory redemption provisions of the Bonds without any direction from or consent by the Bank or the County. Unless the date fixed for such mandatory redemption is otherwise specified by the Indenture, the Paying Agent shall select the date for mandatory redemption, subject to the provisions of the Indenture with respect to the permitted period for such redemption.

Notwithstanding any other provision of the Indenture, if the Standby Purchase Agreement is in effect when any right of optional redemption is to be exercised, the County may not exercise such right of optional redemption unless the notice of redemption is accompanied by an Opinion of Counsel acceptable to Rating Agency stating in effect that upon the occurrence of an Act of Bankruptcy with respect to the County, the redemption price paid to Bondholders will not be recoverable from the Paying Agent or Bondholders under provisions of the Federal Bankruptcy Code relating to voidable preferences.

Partial Redemption

Subject to the provisions of the Indenture relating to the order of redemption for Purchased Bonds and Bonds in different Interest Rate Modes, if less than all Bonds outstanding are to be redeemed, the principal amount of Bonds of each maturity to be redeemed may be specified by the County by written notice to the Paying Agent, or, in the absence of timely receipt by the Paying Agent of such notice, shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate; provided, however, that the principal amount of Bonds of each maturity to be redeemed may not be larger than the principal amount of Bonds of such Maturity then eligible for redemption and may not be smaller than the smallest Authorized Denomination.

Subject to the provisions of the Indenture relating to the order of redemption for Purchased Bonds and Bonds in different Interest Rate Modes, if less than all Bonds with the same maturity are to be redeemed, the particular Bonds of such maturity to be redeemed shall be selected by the Paying Agent by lot or by such other method as the Paying Agent shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal of Bonds of such Maturity of a denomination larger than the smallest Authorized Denomination.

Upon any partial redemption of any Bond, the same shall, except as otherwise permitted by the Indenture, be surrendered in exchange for one or more new Bonds of the same Maturity and interest rate and in authorized form for the unredeemed portion of principal.

Notice of Redemption

Upon receipt by the Trustee of notice from the Issuer, as directed by the County, at least forty-five (45) days prior to the redemption date that the Bonds shall be redeemed as provided herein (except for scheduled mandatory redemptions, which shall not require any such notice from the Issuer to the

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Trustee), notice of redemption shall be mailed by the Trustee by first class mail at least thirty (30) days but not more than forty-five (45) days before the redemption date to each holder of the Bonds (or, if the Bonds are held in the Book Entry System, to the Securities Depository in accordance with its rules and procedures) to be redeemed in whole or in part at such holder's last address appearing on the registration books, but no defect in or failure to give such notice of redemption shall affect the validity of the redemption. All Bonds so called for redemption will cease to bear interest on the specified date set for redemption provided funds for their redemption have been duly deposited with the Trustee and, thereafter, the holders of such Bonds called for redemption shall have no rights in respect thereof except to receive payment of the redemption price from the Trustee and a new Bond for any portion not redeemed.

Effect of Redemption

Bonds (or portions thereof as aforesaid) for which redemption and payment provision is made in accordance with the Indenture shall cease to bear interest from and after the date fixed for redemption.

Additional Bonds

Additional Bonds may be issued in one or more series by the Bank at the request of the County and with the consent of the Bond Insurer under a supplement to the Indenture to purchase other obligations of the County or to make a loan to the County so long as:

- (1) No event of Default under the Indenture has occurred and is then continuing and the Bank will have approved the issuance of such Additional Bonds; and
- (2) There will have been filed with the Trustee an opinion of Co-Bond Counsel to the effect that the exclusion from gross income for federal income tax purposes of the interest on the Bonds then outstanding under the Indenture will not be adversely affected.

Such series of Additional Bonds will be appropriately designated, will be dated, will bear interest at a rate or rates not exceeding the maximum rate then permitted by law, will be numbered, will have such paying agents and will have such maturities and redemption provisions, all as may be provided in the supplement to the Indenture or the separate indenture authorizing the issuance of such series of Additional Bonds.

BOOK-ENTRY ONLY SYSTEM

The information provided under this caption has been provided by DTC. No representation is made by the Bank, the Underwriter or the Trustee as to the accuracy or adequacy of such information, or as to the absence of material adverse changes in such information subsequent to the date hereof.

DTC will act as securities depository for the Bonds. The Bonds will be initially issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered Bond certificate for each maturity will be issued for the Bonds in the aggregate principal amount of the issue and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues

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of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MSB Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchases. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owners entered into the transactions. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their beneficial ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts the Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices are to be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee), will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an "Omnibus Proxy" to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those

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Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to DTC or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding information from the issuer or agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, Trustee, or the Corporation subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Corporation, or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participates.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Corporation or the Trustee. The Corporation may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates are required to be printed and delivered.

THE BANK, THE COUNTY, THE TRUSTEE AND THE ORIGINAL PURCHASER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (i) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (ii) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS; OR (iii) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE BANK, THE COUNTY, THE TRUSTEE NOR THE ORIGINAL PURCHASER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

So long as Cede & Co. is the registered holder of the Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Bonds mean Cede & Co. and not the Beneficial Owners of the Bonds.

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SECURITY AND SOURCES OF
PAYMENT FOR THE BONDS

General

The Bonds are secured by the pledge of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Bonds. The Bonds do not constitute a debt, liability or loan of the credit of the Bank or the State or any political subdivision thereof under the constitution of the State or a pledge of the faith, credit, taxing power or moral obligation of the Bank or the State or any political subdivision thereof. The Bank has no taxing power. The sources of payment of, and security for, the Bonds are more fully described below.

Under the Indenture, the Bonds are secured in part by a pledge to the Trustee of all right, title and interest of the Bank in, to and under the Note and the Loan Agreement including the interest of the Bank in and to all Note Payments, proceeds, revenues, income, receipts, issues, benefits and other moneys received or derived by the Bank under the Note and the Loan Agreement. In addition, the Indenture pledges to the payment of the Bonds all proceeds of the Trust Estate, including without limitation all cash, moneys, securities and investments which may at any time and from time to time, pursuant to the provisions of the Indenture, be paid to the Trustee or be in the hands of the Trustee, except as the interest of said Trustee in such cash, moneys, securities and investments may otherwise appear in the Indenture (other than the Rebate Fund), and all proceeds thereof. All Bonds will be secured equally and ratably by all of the foregoing.

Loan and Pledge of Note

From the proceeds of the Bonds, the Bank intends to make a loan to the County under the Loan Agreement to be secured by the Note. The Bank will assign to the Trustee under the Indenture the proceeds of the Loan Agreement and will assign the Note Payments of the County to the Trustee, all as described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - The Loan Agreement and the Note" herein and "APPENDIX A- DEFINITIONS AND SUMMARY OF INDENTURE" and "APPENDIX C - FORM OF LOAN AGREEMENT AND NOTE" attached hereto.

Provisions for Payment of the Note Payments

The Note will be an obligation of the County payable solely from the moneys, rights and interests pledged under the Loan Agreement as set forth in the immediately succeeding paragraph. **The Note will never constitute a general obligation of the County or, within the meaning of any constitutional or statutory limitation, a debt, liability, or obligation of the State or any political subdivision of the State other than the County, and neither the full faith and credit nor taxing power of the State or any political subdivision thereof is pledged to the payment of such principal, premium, if any, and interest. The County has not pledged the levy of any taxes for the repayment of the Note.** The Note initially issued under the Loan Agreement shall be issued for the purposes of providing funds to finance Costs of the Refunding Project (as defined in the Loan Agreement), which include, but are not limited to, (i) providing funds for (a) prepayment of the 2000 Note pursuant to the terms of the 2000 Loan Agreement as set out in the Indenture, (b) all Administrative Expenses; and (c) any other expenses or fees of the County, the Bank or the Indenture Trustee, which in the opinion of the County, the Issuer, or the Indenture Trustee respectively, are related to the Project or the Bonds, including but not limited to, commitment and legal fees and the costs, fees and expenses of the Original Purchaser in connection with the initial sale and issuance of the Bonds; (ii) funding the Debt Service Reserve Fund for the Bonds, and (iii) paying the costs of issuance for the Bonds and the Note.

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Pursuant to the terms of the Loan Agreement, the principal of and interest on the Note and other amounts due under the Loan Agreement are to be paid from the legally available revenues of the County. The County has covenanted in the Loan Agreement to take such action as may be necessary to include all the Note Payments and amounts due under the Loan Agreement in its annual budget. In addition, the Act and the Loan Agreement provide for the intercept of local taxes within the County from the Mississippi State Tax Commission if the County is deficient in its payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS-The Loan Agreement and The Note-Agreement *Withholding County Monies to Satisfy Delinquent Payments!*" herein.

The obligation of the County to make Note Payments and pay amounts due under the Loan Agreement constitutes a binding obligation of the County in accordance with the terms of the Note and the Loan Agreement, respectively. The County's Board of Supervisors (the "Governing Body"), in its sole discretion, may make the payments with any legally available revenues. Except as stated in the Indenture and except for the intercept of Tax Monies, nothing in the Loan Agreement or the Note creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, notes or certificates of the Governing Body or for any other purpose whatsoever. The County has not pledged or levied any form of taxation for the payment of the Note or amounts due under the Loan Agreement (see the section entitled "Limitation on Ad Valorem Levies" in "APPENDIX B - INFORMATION ON THE COUNTY" herein).

The obligations of the County under the Note and the Loan Agreement are not general obligations and do not constitute a pledge of the full faith and credit of the County, the State or any political subdivision or agency thereof within the meaning of any constitutional or statutory provision or limitation.

The execution and delivery of the and the Note shall be authorized by a resolution of the County adopted pursuant to the Act. The Note shall be titled "\$15,000,000 Promissory Note (MS Loan Program - Harrison County, Mississippi 2003 Refunding Project)". See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - The Loan Agreement and the Note" herein, and "APPENDIX C - THE FORM OF THE LOAN AGREEMENT AND NOTE" attached hereto for further description of the Loan Agreement and the Note.

The Indenture

The Indenture directs the Trustee to make a loan to the County under the Loan Agreement secured by the Note. Pursuant to the Indenture, the Bank has assigned and pledged to the Trustee, for the benefit of the Bondholders, all of its right, title and interest in and to the Note and the Loan Agreement and all payments and other revenues to be received thereunder as security for the payment of the principal of, premium, if any, and interest on the Bonds. The Bank agrees in the Indenture that the Note may be enforced by the Trustee and/or the Holders of the Bonds. The Indenture provides that neither the Trustee nor the Bank may sell or otherwise dispose of the Note. In addition, certain funds held by the Trustee under the Indenture secure such payments of debt service on the Bonds. See "APPENDIX A - DEFINITIONS AND SUMMARY OF INDENTURE" attached hereto.

Debt Service Reserve Fund. The Act authorizes and the Indenture requires the Bank to establish and maintain the Debt Service Reserve Fund in which there is to be deposited or transferred:

*Preliminary, subject to change.

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(1) All proceeds of Bonds required to be deposited in the Debt Service Reserve Fund by the terms of the Indenture or any supplemental indenture or resolution of the Bank with respect to the proceeds of Bonds, established under the Indenture as the Debt Service Reserve Requirement which is an amount of 10% of the stated principal amount of the Bonds which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility, as defined in the Indenture;

(2) All money required to be transferred to the Debt Service Reserve Fund from another fund or account under the Indenture; and

(3) All money paid by the County for deposit to the Debt Service Reserve Fund as provided in the Loan Agreement; and

(4) Any other available money or funds that the Bank may decide to deposit in the Debt Service Reserve Fund.

Except as provided by the Indenture, moneys in the Debt Service Reserve Fund will be held and applied to the payment of the principal of and interest on the Bonds in cases where sufficient funds are not available in other funds and accounts for such payments.

The County may, at any time, provide the Trustee with a Reserve Fund Credit Facility to be substituted for all or a portion of the amount of money and investments in the Debt Service Reserve Fund equal to the amount available for drawing under such Reserve Fund Credit Facility; provided that such right of substitution shall be subject to the following conditions:

(1) The Trustee shall receive a certificate of the County to the effect that such substitution is in the best economic interests of the County stating the reasons therefor and stating how the amounts on deposit in the Debt Service Reserve Fund are to be applied; and

(2) The Trustee shall receive an opinion of counsel acceptable to the Trustee, in form and substance satisfactory to the Trustee, addressed to the Trustee, the Bank and the County as to the due authorization, execution, delivery and enforceability of the Reserve Fund Credit Facility in accordance with its terms, subject to applicable laws affecting creditors' rights generally, and, in the event the issuer of the Reserve Fund Credit Facility is not a domestic entity, an opinion of foreign counsel to the same effect in form and substance satisfactory to the Trustee; and

(3) The Trustee, the Bank and the County shall receive an opinion of nationally recognized counsel, in form and substance satisfactory to each of them, to the effect that substitution of such Reserve Fund Credit Facility and the proposed application to the amounts in the Debt Service Reserve Fund will not cause the interest on the Bonds to become includable in gross income for federal income taxation purposes; and

(4) The obligation of the County to reimburse the issuer of the Reserve Fund Credit Facility for any fees or expenses or claims or drawings under such Reserve Fund Credit Facility shall be subordinate to (i) the payment of debt service on the Note under the Loan Agreement, (ii) the obligation of the County to replenish the Debt Service Reserve Fund under the Loan Agreement, and (iii) any other payments payable by the County under the Loan Agreement and Note; and

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(5) The Reserve Fund Credit Facility must provide for a revolving feature under which the amount available for drawing thereunder will be reinstated to the extent of any reimbursement of drawings or claims paid; and

(6) The value of the assets (including the amount available for drawing under the Reserve Fund Credit Facility) held in the Debt Service Reserve Fund must equal the Debt Service Reserve Requirement immediately upon such substitution; and

(7) The approval of S&P; and

(8) The approval of Ambac Assurance.

If there shall be an insufficiency of funds in the Principal Account or the Interest Account of the Debt Service Fund to make any required payment of principal of or interest on any Bonds and the Trustee is holding a Reserve Fund Credit Facility in lieu of funds in the Debt Service Reserve Fund, the Trustee shall make a drawing under the Reserve Fund Credit Facility in an amount equal to the lesser of (1) the amount then available for drawing under the Reserve Fund Credit Facility, or (2) the amount necessary to make up the insufficiency described above, which drawing shall be made in time to prevent the occurrence of an Event of Default under the Indenture; and the proceeds of such drawing shall be deposited into the Debt Service Reserve Fund for application as provided in the Indenture.

On the fifth (5th) Business Day prior to the expiration of any Reserve Fund Credit Facility, the Trustee shall make a drawing of the full amount available thereunder, and shall deposit the proceeds of such drawing into the Debt Service Reserve Fund; provided, however, that the Trustee shall not make a drawing if, not later than the fifth (5th) Business Day prior to the expiration of such Reserve Fund Credit Facility, a substitute Reserve Fund Credit Facility or money and/or Investment Securities equal to the Debt Service Reserve Requirement have been delivered to the Trustee for deposit in the Debt Service Reserve Fund.

If the Trustee receives notice that (1) the revolving reinstatement feature described above has been suspended or terminated, (2) the rating of the issuer of the Reserve Fund Credit Facility has fallen below "A" by S&P, (3) the issuer of the Reserve Fund Credit Facility has defaulted in its payment obligations thereunder, or (4) the Reserve Fund Credit Facility will not be extended or renewed, the Trustee shall immediately notify the County and the Bond Insurer, in writing, of the occurrence of such event and shall request that within five (5) days of such notice the County make or cause to be made the payments required to replenish the Debt Service Reserve Fund pursuant to the Indenture and the Loan Agreement, which payments may be made from the proceeds of a drawing under the Reserve Fund Credit Facility.

Reserve Fund Credit Facility means an irrevocable and unconditional letter of credit, insurance policy or surety bond, the terms of which have been approved by the County, issued by a bank or other financial institution, which is acceptable to the County, having a long-term credit rating of "A" or better, as determined by S&P which credit facility names the Trustee as the beneficiary thereunder; provided, that any such credit facility must (a) be renewable or extendable on an annual basis; (b) have an initial term of not less than three (3) years; (c) provide that the bank or other financial institution providing such credit facility must notify the Trustee and the County, no less than thirty (30) days in advance of the expiration of the credit facility of its intention not to renew or extend such credit facility; (d) permit the Trustee to make a drawing thereunder to fund the Debt Service Reserve Fund no later than five (5) Business Days prior to the earlier of (1) the expiration date of such credit facility and (2) the date the proceeds of such drawing will be needed to fund the Debt Service Reserve Fund.

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Establishment of Funds and Accounts. Upon delivery of and payment for the Bonds, the following special trust funds and accounts will be established and maintained pursuant to the Indenture, so long as any Bonds issued under the Indenture are outstanding, to be used for the following purposes:

(1) The Bond Proceeds Fund will be maintained with the Trustee and used to receive the proceeds of the Bonds; to transfer to the Interest Account in the Debt Service Fund that portion of the proceeds of the Bonds representing accrued interest, if any, on the Bonds; to retain such sum, in a special account called the Costs of Issuance Account, as will be specified in a request and authorization pursuant to the Indenture to be used to pay Costs of Issuance; and to make the Loan to the County by transferring the balance of the proceeds of the Bonds pursuant to directions of the County to effectuate the Refunding Project.

(2) The Debt Service Fund and its corresponding accounts will be maintained with the Trustee and used for the following purposes:

(A) The Interest Account will be used to receive the portions of the Note Payments applicable to interest on the Bonds; to receive the accrued interest, if any, on the Bonds paid by the purchasers of the Bonds on the Closing Date; and to pay the interest on the Bonds as it becomes due and payable.

(B) The Principal Account will be used to receive the portion of the Note Payments applicable to the principal requirements of the Bonds; to pay the principal of the Bonds as it becomes due and payable at maturity; and, if funds are available for such purpose and at the written direction of the Bank, to effect the redemption of the Bonds prior to their maturity in accordance with the redemption provisions thereof or the purchase of Bonds prior to their maturity in the open market at a price not in excess of the principal amount thereof, premium, if any, plus accrued interest.

(C) The Swap Agreement shall be used to receive a portion of the Basic Payments of the County under the Loan Agreement applicable to the Swap Payments; to pay the Swap Payments as they become due and payable under the Swap Agreement; to receive any Swap Receipts pursuant to the terms and conditions of the Swap Agreement; to transfer to the Interest Account any Swap Receipts on the fifth (5th) day of each month; and if funds are available for such purpose and at the written direction of the Bank, to pay any Termination Payments under the Swap Agreement in accordance with the provisions of the Swap Agreement and this Indenture. The Trustee shall first provide for amounts to fund the Interest Account and the Principal Account to pay the interest on the Bonds and principal on the Bonds, as such amounts become due and payable, and then with any remaining amounts fund the requirements of this Paragraph (C), as such Swap Payments are subordinate to payments of interest and principal on the Bonds.

The *Debt Service Fund* and its corresponding accounts shall be maintained with the Trustee and used for the following purposes:

The *Interest Account* shall be used to receive the portions of the Note Payments applicable to interest on the Bonds; to receive the accrued interest, if any, on the Bonds paid by the purchasers of the Bonds on the Closing Date as provided in Section 4.1(a) hereof, and to pay the interest on the Bonds as it becomes due and payable.

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The *Principal Account* shall be used to receive the portion of the Note Payments applicable to the principal requirements of the Bonds; to pay the principal of the Bonds as it becomes due and payable at maturity; and, if funds are available for such purpose and at the written direction of the Bank, to effect the redemption of the Bonds prior to their maturity in accordance with the redemption provisions thereof or the purchase of Bonds prior to their maturity in the open market at a price not in excess of the principal amount thereof, premium, if any, plus accrued interest.

The *Swap Account* shall be used to receive a portion of the payments of the County under the Loan Agreement applicable to the Swap Payments; to pay the Swap Payments as they become due and payable under the Swap Agreement; to receive any Swap Receipts pursuant to the terms and conditions of the Swap Agreement; to transfer to the Interest Account any Swap Receipts on the fifth (5th) day of each month; and, if funds are available for such purpose and at the written direction of the Bank, to pay any Termination Payments under the Swap Agreement in accordance with the provisions of the Swap Agreement and this Indenture. The Trustee shall first provide for amounts to fund the Interest Account and the Principal Account to pay the interest on the Bonds and principal on the Bonds, as such amounts become due and payable, and then with any remaining amounts fund the requirements of this paragraph (iii), as such Swap Payments are subordinate to payments of interest and principal on the Bonds.

The *Servicing Account* shall be used to receive a portion of the County's Additional Charges pursuant to the Loan Agreement and the Indenture for the payment of certain ongoing fees and expenses in connection with the Bonds; and, if funds are available for such purpose, the Trustee shall pay the same pursuant to and as directed by the statements and invoices received from the County evidencing such fees and expenses.

(3) The Debt Service Reserve Fund shall be maintained with the Trustee and shall disburse the funds held in the Debt Service Reserve Fund to the Interest Account and Principal Account of the Debt Service Fund solely for the payment of interest on and principal of the Bonds, and only in the event that moneys in the Debt Service Fund are insufficient to pay principal of and interest on the Bonds. As of any Interest Payment Date, the Trustee shall value the investments in the Debt Service Reserve Fund at fair market value. If there is any deficiency in the Debt Service Reserve Fund as of any Interest Payment Date (after taking into account any debt service payment made on such Interest Payment Date), the Trustee shall provide written notice within five (5) Business Days to the County and the County shall replenish the Debt Service Reserve Fund within thirty (30) days after the applicable Interest Payment Date as provided in the Loan Agreement. Pursuant to Section 8.2(d) of the Indenture, failure to restore any deficiency in the Debt Service Reserve Fund to the Debt Service Reserve Requirement within 120 days after the end of the Fiscal Year during which a deficiency occurs is an Event of Default. Following each Interest Payment Date, the Trustee shall determine if any amounts in the Debt Service Reserve Fund are in excess of the Debt Service Reserve Requirement and shall transfer said excess amount to the Debt Service Fund, Interest Account; provided, however, such amounts in excess of the Debt Service Reserve Requirement shall be paid to the County at its request with the prior written approval of the Bank.

The County may, at any time, provide the Trustee with a Reserve Fund Credit Facility to be substituted for all or a portion of the amount of money and investments in the Debt Service Reserve Fund equal to the amount available for drawing under such Reserve Fund Credit Facility; provided that such right of substitution shall be subject to the conditions as set forth under "SECURITY AND SOURCE OF PAYMENT FOR BONDS - Debt Service Reserve Fund."

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(4) The Bond Purchase Fund will be maintained by the Trustee and utilized and as forth below. The Indenture provides for the following to be deposited to the Bond Purchase Fund, as and when received:

- (A) the proceeds of any remarketing of the Bonds;
- (B) money received by the Paying Agent from the Standby Purchaser pursuant to the Standby Purchase Agreement with respect to the Purchase Price of Tendered Bonds payable on the related Tender Date, and
- (C) all other money required to be deposited in the Bond Purchase Fund pursuant to the Indenture.

On each Tender Date money in the Bond Purchase Fund shall be applied by the Paying Agent to the payment of the Purchase Price of Tendered Bonds as described below.

All Remarketing Proceeds shall be held in a separate, segregated account in the Bond Purchase Fund and shall not be commingled with other money in the Bond Purchase Fund. Remarketing Proceeds shall be used to pay the Purchase Price of Tendered Bonds in the following order of priority: (1) first, the Paying Agent shall pay the Purchase Price of Tendered Bonds that are Purchased Bonds and (2) second, the Paying Agent shall pay the Purchase Price of Tendered Bonds other than Purchased Bonds.

If the Standby Purchase Agreement is in effect and available Remarketing Proceeds are not sufficient, the Paying Agent is required to make a demand on the Standby Purchaser for purchase of Tendered Bonds other than Purchased Bonds, as provided in the Indenture.

If Remarketing Proceeds and funds provided by the Standby Purchaser pursuant to the Standby Purchase Agreement are not sufficient, the County shall make deposits in the Bond Purchase Fund at times and in amounts sufficient to pay the unpaid amount of the Purchase Price of all Tendered Bonds due on each Tender Date.

(5) The Rebate Fund will be maintained with the Trustee and used to make all rebate payments owed to the United States under the Code.

Flow of Funds. The Bank covenants and agrees in the Indenture to cause the County to pay the Note Payments in the amounts, time and manner as provided in the Loan Agreement, and the Trustee agrees in the Indenture to cause the Note Payments with respect to the Bonds to be applied in the amounts, time and manner as hereinafter provided:

- (1) If the Bonds are in the Weekly Rate Mode on or before the first Wednesday of each month in an amount equal to the interest payable on the following Interest Payment Date;
- (2) If the Bonds are in a Term Rate Mode of 270 days or less, on or before the last day of the Term Rate Period in an amount equal to the principal and interest due on such date;
- (3) If the Bonds are in a Term Rate Mode of 270 days or more, semiannually, on or before each June 1 and December 1, an amount equal to the interest due and payable on the Bonds on such June 1 or December 1, as the case may be;
- (4) If the Bonds are in a Term Rate Mode of 270 days or more, annually, on or before each December 1, an amount equal to the principal amount of the Bonds maturing on such December 1;

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(5) As soon as funds become available, to the Debt Service Reserve Fund sufficient amounts to assume that there is on deposit therein an amount equal to the Debt Service Reserve Requirement; and

(6) Into any of the foregoing funds an amount sufficient to make up any deficiency in any prior payment required to be made into such fund and to restore any loss resulting from investment or other causes from such fund and any other payment required to be made to such fund by the Indenture.

The required payments for (1) above will be reduced by any surplus amount contained in or investment income received in or transferred to the Interest Account and/or Principal Account.

The Loan Agreement and the Note

The Bank shall loan the proceeds of the Bonds to the County pursuant to the terms and provisions of the Loan Agreement which the Bank will assign (except certain rights retained by the Bank) to the Trustee pursuant to the terms and provisions of the Indenture. To further secure the payment of the Bonds pursuant to the Loan Agreement, the County will execute and deliver the Note, which Note and the Note Payments, the Bank has assigned or will assign to the Trustee.

To further secure the payment of the Bonds, the County will provide for the payments due under the Note and Loan Agreement from the legally available revenues of the County.

See "APPENDIX C - FORM OF LOAN AGREEMENT AND NOTE" for further terms and provisions of the Loan Agreement and the Note.

Application of Loan Proceeds. Simultaneously with the delivery of the Bonds, \$_____ of the proceeds of the Bonds will be transferred by the Trustee, as the assignee for the Bank under the Loan Agreement and the Note, directly to the 2000 Trustee, as defined in the Indenture, to provide for the prepayment of the 2000 Note under the terms of the 2000 Loan Agreement, which prepayment will be used to effectuate the current refunding of the 2000 Note at par plus accrued interest.

The Loan. The Bank agrees, upon the terms and conditions of the Loan Agreement, to lend to the County the proceeds received by the Bank from the sale of the Bonds, by causing such proceeds to be deposited with the Trustee for disposition as provided in the Loan Agreement and in the Indenture. The amount of the Loan shall also be deemed to include any "discount" or any other amount by which the aggregate price at which the Bank sells the Bonds to the Original Purchaser is less than the aggregate principal amount of the Bonds, plus accrued interest, if any. The obligation of the Bank to make the Loan shall be deemed fully discharged upon so depositing the proceeds of the Bonds with the Trustee as set forth in the Loan Agreement.

Basic Payments Under the Loan Agreement. Subject to the provisions for prepayment set forth herein, in the Loan Agreement, the County agrees to pay to the Trustee for the account of the Bank an amount (the "Basic Payments", or "Note Payments") equal to (a) interest on the Bonds, in the amounts and in the manner provided in the Indenture for the payment of interest on the Bonds, and (b) an amount equal to the principal scheduled to become due on the Bonds, in the amounts and in the manner provided in the Indenture for the payment of principal on the Bonds, all in order that the Bank can cause amounts to be deposited in the Interest Account and the Principal Account of the Debt Service Fund, as applicable, under the Indenture for the payment of the principal of, premium, if any, and interest on the Bonds, whether at maturity, upon prior redemption, any earlier acceleration, upon purchase or otherwise; provided, however, that the obligation of the County to make any such payment under the Loan Agreement shall be reduced by (i) accrued interest, if any, derived from the sale of the Bonds, (ii) surplus

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monies (including investment earnings) contained in the funds and accounts held by the Trustee under the Indenture; (iii) advance payments or prepayments of Basic Payments; and (iv) the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Bank thereunder.

Basic Payments under the Loan Agreement include the obligation of the County to provide for the payment of any Swap Payments, Termination Payments and any other amounts the Bank may be obligated to pay under any Swap Agreement delivered in connection with the Bonds. Pursuant to the Loan Agreement, the County shall pay any Swap Payments, Termination Payments and any other amounts when due under the Swap Agreement to the Trustee for deposit to the Debt Service Fund as provided in the Indenture.

The County shall remit to the Trustee for deposit into the Interest Account and the Principal Account of the Debt Service Fund under the Indenture (i) all amounts due under the Note and required for the payment of the principal of and the interest due on the Outstanding Bonds on or prior to any Interest Payment Date, and (ii) the amounts required for the payment of the redemption price or Purchase Price, including accrued interest on Outstanding Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by the Indenture Trustee to such payments.

Whenever the County shall fail to pay the full amount of any installment of Basic Payments payable as set forth above by the date on which such installment is due, the Loan Agreement provides that Trustee shall give immediate telephonic notice thereof, immediately confirmed in writing, to an Authorized County Representative, and the County shall immediately make payment to the Trustee in an amount that, together with any amounts already paid by the County and received by the Trustee, will equal the full amount of the installment of Basic Payments then payable.

Additional Charges. The County agrees to pay as additional charges (the "Additional Charges"), when due, each and all of the following:

- (1) all Costs of Issuance;
- (2) to or upon the order of the Trustee, upon demand, all fees of the Trustee for services rendered under the Indenture and all fees and charges of the Paying Agent, registrars, legal counsel, accountants, public agencies and others incurred in the performance on request of the Trustee of services required under the Indenture for which the Trustee and such other persons are entitled to payment or reimbursement; provided that after payment in full thereof the County may, without creating a default under the Loan Agreement, contest in good faith the necessity or reasonableness of any such services, fees or expenses other than the Trustee's fees for ordinary services as set forth in the Indenture, Paying Agent fees and any fees or charges of public agencies;
- (3) to the Bank, the Administrator and the Trustee, the Administration Expenses, and all other reasonable expenses incurred by the Bank in relation to the Project which are not otherwise required to be paid by the County under the terms of the Loan Agreement and all indemnity payments required to be made under Section 7.3 of the Loan Agreement;
- (4) any and all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of any counsel, accountants or other professionals) incurred by Trustee or the Bank at any time, in connection with (a) the preparation, negotiation and execution of the Loan Agreement, the Indenture, the Note and all other Bond Documents, any amendment of or modification of the Loan Agreement, the Indenture, the Note or the other Bond Documents (including in connection with any sale, transfer, or attempted sale or transfer of any interest in the Loan Agreement to a participant or

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assignee); (b) any litigation, contest, dispute, suit, proceeding or action whether instituted by Bank, the Trustee, the County or any other person in any way relating to the Project, the Note, the other Bond Documents, or the County's affairs; (c) any attempt to enforce any rights of Trustee or the Bank against the County or any other person which may be obligated to Trustee and/or Bank by virtue of the Note, the other Bond Documents or any other Project documents; and (d) performing any of the obligations relating to or payment of any obligations of the County under the Loan Agreement in accordance with the terms of the Loan Agreement or any other Bond Document;

(5) if there is on deposit in the Debt Service Reserve Fund an amount less than the Debt Service Reserve Requirement as of any Interest Payment Date based on the Trustee's valuation under Section 4.1(c) of the Indenture, the County will pay directly to the Trustee an amount for deposit into the Debt Service Reserve Fund which, when added to the amount already on deposit in the Debt Service Reserve Fund, equals the Debt Service Reserve Requirement, such payment to be made within thirty (30) days after the applicable Interest Payment Date; and

(6) upon notice by the Trustee that any event described in the last paragraph of Section 4.1(c) of the Indenture has occurred, the County will make or cause to be made the required payments to replenish the Debt Service Reserve Fund within five (5) days of such notice. Said payments may be made from proceeds of a drawing under a Reserve Fund Credit Facility.

Agreement Withholding County Monies to Satisfy Delinquent Payments

General. As provided for in the Act, the County and the Bank have entered into and the Trustee has accepted the Tax Intercept Agreement whereby the County has covenanted, agreed and authorized the Mississippi State Tax Commission or any other State agency, department or commission to:

(1) withhold all or any part of any monies which the County is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi State Tax Commission or any other State agency, department or commission (the "Tax Monies"), subject to the prior lien on the Tax Monies which may be withheld by the Mississippi State Tax Commission or any other state agency, department or commission pursuant to that certain the Tax Intercept Agreement dated January 27, 2003, by and between the County and the Bank concerning the \$5,000,000 Promissory Note of the County securing a loan from the Bank to the County funded from a portion of the proceeds of the \$125,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2001A (Capital Projects and Equipment Acquisition Program), dated March 6, 2001, and

(2) pay same over to the Bank to satisfy any delinquent payment (the "Delinquent Payment") under Sections 4.2 and/or 4.4(5) of the Loan Agreement. If on the first day of each month, beginning February 1, 2004, the Trustee has been notified pursuant to Sections 4.2 and/or 4.4(5) of the Loan Agreement that there are insufficient lawfully available revenues of the County to make the deposits required to provide the payments under Sections 4.2 and/or 4.4(5) of the Loan Agreement, the Bank has authorized and directed the Trustee under the Tax Intercept Agreement to file the Tax Intercept Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Mississippi State Tax Commission or any other State agency, department or commission, thereby directing the Mississippi State Tax Commission or any other State agency, department or commission to pay any Tax Monies directly to the Trustee on behalf of the Bank to satisfy any Delinquent Payment, all as permitted under the Act.

In any event if the County fails to make timely payments under the Loan Agreement and the Note as provided in Sections 4.2 and/or 4.4(5) of the Loan Agreement, in the Tax Intercept Agreement and the Indenture the Trustee is further directed to file the Tax Intercept Agreement with the Mississippi State

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Tax Commission and take further action to recover Tax Monies under the Tax Intercept Agreement. The Trustee is directed in the Indenture to pay any Tax Monies into the appropriate account of the General Fund to be applied in accordance with Section 4.1(b) of the Indenture, except for any Delinquent Payment under Section 4.4(5) of the Loan Agreement which shall be applied in accordance with the provisions thereof.

There is no assurance that at such time there will be any monies held by the Mississippi State Tax Commission or other State agency, department or commission available to satisfy any Delinquent Payment or that the amount of any moneys held by the Mississippi State Tax Commission or other State agency, department or commission will be sufficient to satisfy such Delinquent Payment.

Gaming Tax Revenues. The Tax Monies include any and all funds held by any State agency, commission or department which are to be distributed to the County pursuant to State law. Tax Monies include homestead ad valorem tax exemption reimbursements (See "APPENDIX B - INFORMATION ON THE COUNTY - Homestead Exemption" herein), gaming tax revenues and other miscellaneous items which may be due the County from the State from time to time. The largest portion of Tax Monies consists of gaming tax revenues collected by the Mississippi State Tax Commission and which are, according to State law, remitted to the County on a monthly basis. For fiscal years (October 1 through September 30) 1996 - 2003, gaming tax revenue remittances to the County were:

<u>Year Ending</u> <u>September 30</u>	<u>Total</u> <u>Amount Remitted</u>
1996	\$5,992,921
1997	5,806,732
1998	6,494,683
1999	7,526,929
2000	8,882,159
2001	9,229,437
2002	9,594,891
2003	9,437,785

Tax Monies Available for Intercept. If gaming tax revenues collected in the County by the Mississippi State Tax Commission remain at historical rates, there should be at least \$8,000,000 annual gaming revenues of the County which would be subject to and available for intercept by the Trustee on behalf of the Bank with which debt service on the Bonds could be paid.

Tax Covenants.

(1) In order to maintain the exclusion from gross income for Federal income tax purposes of interest on the Bonds, and for no other purpose, in the Loan Agreement the County covenants to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the County agrees to comply with the tax certificate executed by the County on the date of the issuance and delivery of the Bonds, as such tax certificate may be amended from time to time.

(2) The County covenants and agrees in the Loan Agreement with the Trustee and the Bondholders that the County shall not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bonds, would cause the Bonds to be "private activity bonds" or "arbitrage bonds" within the meaning of Sections 141(a) and 148(a), respectively, of the Code, or any successor provisions.

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(3) The County shall make any and all payments required to be made to the United States Department of the Treasury in connection with the Bonds pursuant to Section 148(f) of the Code from amounts available therefor.

(4) Upon the authentication and delivery of the Bonds, the County shall furnish to the Trustee certificates of the Authorized County Representative of the County to the effect that, on the basis of the facts, estimates and circumstances in existence on the date of such authentication and delivery, it is not expected that the proceeds of the Bonds will be used in a manner that would cause such Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Treasury Regulations thereunder, and in such certificates the County shall set forth such facts and circumstances which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such Authorized County Representative, there are no other facts or circumstances that would materially change the expectations expressed in such certificate.

(5) Notwithstanding any other provisions of the Loan Agreement to the contrary, so long as necessary in order to maintain the exclusion from gross income for Federal income tax purposes under Section 103(a) of the Code of interest on the Bonds, the covenants contained in Section 7.4 of the Loan Agreement shall survive the payment of the Bonds and the Note and the interest thereon, including any payment or defeasance thereof pursuant to Section 8.1 of the Loan Agreement and Article XII of the Indenture, respectively.

Prepayment of the Note and Termination of the Loan Agreement. Unless an Event of Default has occurred and is continuing, the County shall have the option to direct the Trustee to call the Outstanding Bonds for redemption prior to their maturity, in whole or in part, as provided in Section 3.4 of the Indenture. The Bonds to be redeemed shall be redeemed at a price equal to their principal amount plus accrued interest as set forth in Section 3.4 of the Indenture upon receipt of notice by the Trustee from the County in the manner as set forth in the Indenture. The Bonds are also subject to redemption from proceeds received upon the sale or prepayment prior to maturity of the Note or upon a default under the Note or acceleration thereof. In the event the Bonds are called for redemption in whole or in part under the Indenture, a Basic Payment shall be made by the County in the amount of principal plus accrued interest and all other fees due under the Loan Agreement to effectuate said redemption.

If, after the County exercises its option to redeem all Bonds, no Bonds remain Outstanding, the Indenture is discharged, and the County has satisfied all of its obligations under the Loan Agreement and under the Note, the Trustee and the Bank shall execute and deliver to the County and such instruments as the County reasonably determines are necessary to terminate the Loan Agreement. All further obligations of the County under the Loan Agreement, except as set forth in Sections 7.3 and 10.10 of the Loan Agreement, shall thereupon terminate.

Events of Default. Any one or more of the following events is an Event of Default under the Loan Agreement, and the term "Event of Default," wherever used in the Loan Agreement, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

- (1) if the County shall fail to pay any Basic Payments due under the Loan Agreement;
- (2) if the County shall fail to pay any Additional Charges on or before the date that the payment is due and shall continue to be in arrears for five (5) days after the due date thereof;

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(3) if the County shall fail to observe and perform or shall breach any other covenant, condition or agreement on its part under the Loan Agreement for a period of fifteen (15) days after mailing of a notice to it by the Bank or the Trustee, specifying such default or breach and requesting that it be remedied; and provided that if the failure stated in the notice cannot be corrected within fifteen (15) days, the Bank and Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the County with said fifteen (15) days and is diligently pursued, for an additional thirty (30) days;

(4) if the County shall be dissolved;

(5) if any representation or warranty made by the County in the Loan Agreement, or by an officer or representative of the County in any document or certificate furnished the Trustee or the Bank in connection with the Loan Agreement or therewith or pursuant to the Loan Agreement or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made; and

(6) the occurrence of an event of default under any other Bond Document which is not cured within the time period provided therefor, if any.

Remedies.

(1) Whenever any Event of Default under the Loan Agreement shall have happened and be continuing concerning the County's failure to pay any Basic Payment due under the Loan Agreement, the Trustee shall declare all the Basic Payments payable for the remainder of the Term of the Loan Agreement (an amount equal to that necessary to pay in full the Note and the interest thereon assuming acceleration of the Bonds under the Indenture and to pay all other indebtedness thereunder) to be immediately due and payable whereupon the same shall become immediately due and payable by the County but only if the acceleration of payment of the Bonds has been declared by the Trustee under Section 8.4 of the Indenture.

(2) Whenever any Event of Default shall have occurred and be continuing any one or more of the following remedial steps may also be taken to the extent permitted by law:

(A) the Trustee or the Bank may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the County, under the Loan Agreement, the Note or any related instrument; or to otherwise compensate the Bank, Trustee or Bondholders for any damages on account of such Event of Default; and

(B) the Bank (without the prior written consent of the Trustee if the Trustee is not enforcing the Bank's right in a manner to protect the Bank or is otherwise taking action that brings adverse consequences to the Bank) may take whatever action at law or in equity may appear necessary or appropriate to enforce its rights of indemnification under Section 7.3 of the Loan Agreement and to collect all sums then due and thereafter to become due to the Bank under Section 4.4, 7.3, 9.5, 10.8 and 10.11 of the Loan Agreement. Notwithstanding the foregoing, the Bank is not precluded from exercising any of its rights reserved to it as set forth in this section, even if the Trustee is exercising the rights of the Bank under the Loan Agreement.

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STANDBY PURCHASE AGREEMENT

General

The purchase price of the Bonds which are tendered or deemed tendered for purchase will, subject to the satisfaction of certain conditions precedent, be payable from the Standby Purchase Agreement. The Standby Purchase Agreement will provide liquidity for the purchase of those Bonds which are delivered to the Paying Agent or are subject to mandatory purchase but not remarketed by the Remarketing Agent. The Standby Purchase Agreement is scheduled to expire (absent certain events of default described herein) on _____. The enforceability of the Standby Purchase Agreement may be limited by the bankruptcy, insolvency or reorganization of the Standby Purchaser. No assurances can be given that in such event the obligations of the Standby Purchaser under the Standby Purchase Agreement would survive.

Purchase of Tendered Bonds by the Standby Purchaser

From time to time during the period prior to the expiration or earlier termination of the Standby Purchase Agreement (the "Purchase Period") the Standby Purchaser will purchase Bonds that have been tendered for purchase pursuant to the Indenture under an optional tender but not remarketed or which are tendered pursuant to a mandatory tender under the Indenture and in any event upon receipt of an appropriate notice from the Paying Agent pursuant to the Indenture and the Standby Purchase Agreement on the date specified for purchase (the "Purchase Date"). See "THE BONDS--Mandatory Tenders". The price to be paid by the Standby Purchaser for such Bonds will be equal to the aggregate principal amount of such Bonds plus interest accrued thereon up to but not including the date of such purchase calculated at the applicable interest rate for the Bonds. The Standby Purchaser's commitment with respect to interest shall be equal to 35 days' interest on the principal amount of Bonds outstanding (assuming an interest rate of 11% per annum).

Under certain circumstances described below, the obligation of the Standby Purchaser to purchase Bonds tendered by the owners thereof pursuant to the Optional Tender or Mandatory Tender provisions of the Indenture may be terminated. In such event, sufficient funds may not be available to purchase Bonds tendered by the owners.

Events of Default and Remedies

The following constitute events of default under the Standby Purchase Agreement:

- (a) the Bond Insurer shall commence voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, rehabilitator, conservator, custodian or other similar official for itself or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally, or admit in writing its inability generally, to pay its debts and claims as they become due, or shall take any action to authorize any of the foregoing; or
- (b) an involuntary case or other proceeding shall be commenced against the Bond Insurer and shall remain unstayed for a period of 60 days seeking liquidation, rehabilitation, conservatorship, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee,

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receiver, liquidator, rehabilitator, conservator, custodian or other similar official of it or any substantial part of its property; or

(c) the Bond Insurer shall fail, wholly or partially, to make a payment when and as required under the provisions of the Financial Guaranty Insurance Policy; or

(d) a president or any executive vice president of the Bond Insurer shall (i) claim or assert in writing that the Financial Guaranty Insurance Policy is invalid or unenforceable against the Bond Insurer or (ii) shall repudiate in writing its obligations or deny that it has any further liability under the Financial Guaranty Insurance Policy; or

(e) the County shall fail to pay when due certain fees or other amounts payable under the Standby Purchase Agreement and such failure shall continue for a period of 10 Business Days; or

(f) any governmental authority with competent jurisdiction shall announce, find or rule that the Financial Guaranty Insurance Policy is null and void or otherwise invalid or unenforceable against the Bond Insurer; or

(g) the Financial Guaranty Insurance Policy is surrendered, canceled or terminated, or amended or modified in any material respect, without the Standby Purchaser's prior written consent; or

(h) a court of competent jurisdiction enters a final nonappealable judgment that the Financial Guaranty Insurance Policy is not valid and binding on or enforceable against the Bond Insurer; or

(i) the validity or enforceability of the Financial Guaranty Insurance Policy shall be contested in any contest or proceeding (including an appellate proceeding) directly or indirectly by the Bond Insurer or any governmental authority with competent jurisdiction and, in the case of any such contest or proceeding by a governmental authority with competent jurisdiction, the Bond Insurer shall fail to defend or assert such validity or enforceability or to appeal such contest or proceeding pursuant to appropriate proceedings or actions; or

(j) the Bond Insurer shall fail to make any debt service payment when and as required under the provisions of any other insurance policy or surety bond issued by it with respect to any other bonds, notes or other obligations unless the obligation to make such payment is being contested by the Bond Insurer in good faith by appropriate proceedings diligently pursued; or

(k) the County shall fail to pay any amount due under the Standby Purchase Agreement when and as due (other than as contained in (e) above); or

(l) a default shall occur and be continuing in the observance or performance of any agreement, covenant or term contained in the Standby Purchase Agreement; or

(m) any representation, warranty, certificate or statement made by the County in the Standby Purchase Agreement or in any certificate, financial statement or other document delivered pursuant thereto or to any of the Financing Documents shall prove to have been incorrect in any material respect as at any time when made or deemed made; or

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(n) the County shall be in default in the payment of any principal of or interest on any debt if the aggregate principal amount of all such debt or debts as to which any such failure has occurred shall be in excess of \$10,000,000, or shall default in the performance of any covenant or agreement in any contractual obligation evidencing, securing or otherwise pertaining to any debt, if the effect of such default is to cause any debt the aggregate principal amount of which is in excess of \$10,000,000 to become, or to permit (or, with the giving of notice or lapse of time or both, would permit) any Holder or beneficiary thereof, or a trustee or trustees on behalf thereof, with notice if required or lapse of time, or both, to declare any such debt or debts to be due prior to its normal maturity or of any such obligation or to terminate any undrawn commitment under any contractual obligation pursuant to which any such debt could otherwise have been incurred by the County or to require that any such debt be prepaid, repaid or purchased; or

(o) the County shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(p) an involuntary case or other proceeding shall be commenced against the County seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the County under the federal bankruptcy laws as now or hereafter in effect; or

(q) judgments or orders for the payment of money in excess of \$10,000,000 shall be rendered against the County and shall continue unsatisfied and unstayed for 30 days; or

(r) a default shall occur under any Financing Documents.

Upon the occurrence of an event of default as listed above, the Standby Purchaser may take one or more of the following actions:

(a) (i) If any event of default under (a), (b), (c), (g) or (h) above, the Standby Purchaser's obligation to purchase Bonds under the Standby Purchase Agreement shall immediately terminate without notice or demand and thereafter the Standby Purchaser shall be under no obligation to purchase Bonds, and promptly following such event of default, the Standby Purchaser shall give written notice of the same to the County, the Trustee, the Bond Insurer and the Remarketing Agent and the Bonds shall be subject to Mandatory Tender as set forth in the Indenture; provided that the Standby Purchaser shall incur no liability or responsibility whatsoever by reason of its failure to give such notice, and such failure shall in no way affect the termination of the Commitment and of its obligation to purchase Bonds pursuant to the Standby Purchase Agreement;

(ii) In the case of any event of default specified in (d), (f) or (i) above, the obligation of the Standby Purchaser to purchase Bonds shall immediately be suspended (but not terminated)

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without notice to or demand on any Person and thereafter the Standby Purchaser shall be under no obligation to purchase any Bonds until its Available Commitment, as defined in the Standby Purchase Agreement, is reinstated as described below. Promptly upon obtaining knowledge of such event of default, the Standby Purchaser shall notify the County, the Trustee, the Bond Insurer and the Remarketing Agent of such suspension in writing; provided, however, that the Standby Purchaser shall not incur any liability or responsibility whatsoever by reason of the Standby Purchaser's failure to give such notice and such failure shall in no way affect the suspension of the Commitment, as defined in the Standby Purchase Agreement, or the obligation of the Standby Purchaser to purchase Bonds pursuant to the Standby Purchase Agreement. If a court of competent jurisdiction shall thereafter enter a final nonappealable judgment that the Financial Guaranty Insurance Policy is not valid and binding on the Bond Insurer, then the Commitment and the obligation of the Standby Purchaser to purchase Bonds shall, unless previously terminated pursuant to any other provision of the Standby Purchase Agreement, immediately terminate without notice or demand and thereafter the Standby Purchaser shall be under no obligation to purchase Bonds and the Bonds shall be subject to Mandatory Tender as set forth in the Indenture. If a court of competent jurisdiction shall enter a final and nonappealable judgment that the Financial Guaranty Insurance Policy is valid and binding on the Bond Insurer in accordance with its terms, then the Available Commitment and the obligation of the Standby Purchaser under the Standby Purchase Agreement shall thereupon be reinstated (unless the Commitment shall otherwise have been previously terminated pursuant to any other provision of the Standby Purchase Agreement). Notwithstanding the foregoing, if two years after the effective date of suspension of the Commitment and the obligation of the Standby Purchaser to purchase Bonds pursuant to this subsection, the Commitment has not been terminated and litigation is still pending and a final and nonappealable judgment regarding the validity and enforceability of the Financial Guaranty Insurance Policy has not been obtained, then the Commitment and the obligation of the Standby Purchaser to purchase Bonds shall at such time terminate without notice or demand and, thereafter, the Liquidity Bank shall be under no obligation to purchase Bonds and the Bonds shall be subject to Mandatory Tender as set forth in Section 3.8 of the Indenture. A suspension pursuant to this subsection shall not in any event extend the Purchase Period, as defined in the Standby Purchase Agreement, or affect any other remedy under this paragraph.

(b) In the case of an event of default under (c) above, the Standby Purchaser may deliver notice to that effect to the Bond Insurer, the County, the Trustee and the Remarketing Agent and Bondholders, effective at the close of business on the 30th day following the date of delivery and receipt of such notice by the Trustee and the Bond Insurer, the Commitment and the obligation of the Standby Purchaser to purchase Bonds shall (unless the Commitment shall have otherwise been previously terminated pursuant to any other provision of the Standby Purchase Agreement) terminate and the Standby Purchaser shall be under no obligation to purchase Bonds pursuant to the Standby Purchase Agreement; provided that the County shall have failed to pay or caused to be paid, to the Liquidity Bank during such 30-day period all fees then payable under Section 2.05 of the Standby Purchase Agreement. The Bonds shall be subject to Mandatory Tender twenty (20) days after the Trustee receives written notice as set forth in Section 3.8 of the Indenture.

(c) Upon the occurrence of any other event of default, the Standby Purchaser shall have the right to take any actions permitted by applicable law and to pursue all remedies (including, without limitation, the right to demand and receive specific performance provided at law or in equity); provided, however, that the Standby Purchaser shall not have the right to terminate the Commitment or its obligation to purchase Bonds other than as provided in (a) and (b) above.

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Extension, Reduction, Adjustment or Termination of the Standby Purchase Agreement

Upon any redemption, repayment or other payment of all or any portion of the principal amount of the Bonds, the Standby Purchaser's purchase commitment under the Standby Purchase Agreement with respect to principal of Bonds shall automatically be reduced by the principal amount of the Bonds so redeemed, repaid or otherwise paid, as the case may be.

The renewal or extension of the Standby Purchase Agreement is subject to agreement by the Standby Purchaser and the County. The Standby Purchaser has no obligation to extend or renew the Standby Purchase Agreement beyond its initial term. The County has the right under certain circumstances to terminate the Standby Purchase Agreement.

Substitute Standby Purchase Agreement

The Indenture provides under certain conditions (including prior approval of the Bond Insurer) that a Substitute Standby Purchase Agreement may be substituted for the existing Standby Purchase Agreement. If a Substitute Standby Purchase Agreement is delivered, the Bonds are subject to Mandatory Tender.

Cancellation of Standby Purchase Agreement

The Indenture provides that under certain conditions (including prior approval of the Bond Insurer) the Standby Purchase Agreement may be cancelled under certain circumstances. A Mandatory Tender is required before the Standby Purchase Agreement may be cancelled.

THE STANDBY PURCHASER

[to be provided]

ESTIMATED SOURCES AND USES OF FUNDS

The funds received from the sale of the Bonds and other related funds and their use are summarized in the following table.

Sources of Funds

Bond Proceeds	\$ _____
Total Sources of Funds	\$ _____

Uses of Funds

To fund the Loan to the County	\$ _____
For payment of the Financial Guaranty Insurance Policy Premium**	
For payment of the Reserve Fund Credit Facility**	
For payment of Original Purchaser's Discount	
For deposit in the Costs of Issuance Account	
Total Uses of Funds	\$ _____

*The proceeds of the Bonds used to make the Loan to the County will be transferred pursuant to the instruction from the County, to the 2000 Trustee as a prepayment of the 2000 Note under the 2000 Loan Agreement and to effectuate the current refunding of the 2000 Note.

**The Financial Guaranty Insurance Policy and Reserve Fund Credit Facility premiums will be paid directly to Ambac Assurance by the Original Purchaser.

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THE MISSISSIPPI DEVELOPMENT BANK

General

The Bank was created in 1986 and is organized and existing under and by virtue of the Act as a separate body corporate and politic for the public purposes set forth in the Act. The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity and has no taxing power.

The Bank is granted under the Act the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Act, including the making of loans to local governmental units, such as the County by entering into a loan agreement with such local governmental units secured by notes.

Organization and Membership of the Bank

The Bank is governed by a nine (9) member Board of Directors. The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation (the "MBFC") at the time and place fixed by the MBFC's by-laws. Appointments are for terms of one year. The members of the Board of Directors are as follows:

Name	Occupation	Term
Mack Brewer	Retired Jackson, Mississippi	7/1/03 - 6/30/04
Dana M. Lott	Businesswoman Madison, Mississippi	7/1/03 - 6/30/04
Paul Fugate	Retired Banker	7/1/03 - 6/30/04
Nancy V. King	Businesswoman Jackson, Mississippi	7/1/03 - 6/30/04
Harold Lewis	Businessman Philadelphia, Mississippi	7/1/03 - 6/30/04
Clarence L. Maholmes	Certified Public Accountant Jackson, Mississippi	7/1/03 - 6/30/04
Michael J. Olivier	Executive Director Harrison County Development Commission Gulfport, Mississippi	7/1/03 - 6/30/04
William D. Sones	President & CEO Bank of Brookhaven Brookhaven, Mississippi	7/1/03 - 6/30/04
Billy F. Thornton, Jr.	Power Company Executive Gulfport, Mississippi	7/1/03 - 6/30/04

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The operations of the Bank are administered by William T. Barry, Executive Director. Mr. Barry is a 1972 graduate of the University of Mississippi with a degree in Business.

The purpose of the Bank is to foster and promote, in accordance with the Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes by (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (ii) the State or any agency thereof, (iii) the institutions of higher learning of the State, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under State law.

The Bank is presently considering the issuance under the Act of additional special obligation bonds for other purposes authorized under the Act.

The faith, credit and taxing power of the State and the Bank are not pledged to the payment of the principal of, premium, if any, and interest on any of the bonds issued or planned for issuance by the Bank and all such bonds are not a debt, liability, loan of the credit or pledge of the faith and credit of the State or the Bank.

SWAP AGREEMENT

In connection with the Bonds, the Bank is authorized under the Indenture to enter into a Swap Agreement with a Swap Counterparty whereby the Bank would be entitled to receive a floating interest rate payment on a notional amount up to the principal amount of the Bonds outstanding at the time the Swap Agreement is executed (as such notional amount shall be reduced from time to time in accordance with the terms of the Swap Agreement) on each Swap Payment Date at a floating rate calculated in accordance with the Confirmation of the Swap Agreement, and the Bank would be obligated to pay to the Swap Counterparty the Swap Payments. If a Swap Agreement is executed, the Trust Estate under the Indenture will be assigned to secure the payment of Swap Payments owing by the Bank under the Swap Agreement; provided, however, the payment of any Swap Payments and other obligations of the Bank under the Swap Agreement shall be junior and subordinate to the payment of debt service on the Bonds.

RISKS TO THE OWNERS OF THE BONDS

General

The Bonds will be payable solely from the payments to be made by the Bank under the Indenture. Pursuant to the Indenture, such payments are limited to payments under the Loan Agreement and the Note. Purchasers of the Bonds are advised of certain risk factors with respect to the Bonds.

In addition, purchasers of the Bonds are advised of certain additional information in connection with the County as set forth in "APPENDIX B - INFORMATION ON THE COUNTY" and "APPENDIX E - HARRISON COUNTY, MISSISSIPPI AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002 AND FISCAL YEARS 2003 AND 2004 ADOPTED BUDGETS."

Note Payments

The ability of the Bank to pay principal of, premium, if any, and interest on the Bonds depends solely upon the receipt by the Bank of Note Payments from the County, which is obligated under the Loan Agreement to make such Note Payments to the Bank, together with earnings on the amounts in the funds and accounts created under the Indenture sufficient to make such payments. Except for the Debt

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Service Reserve Fund and except for the intercept of local taxes as provided herein under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS--The Loan Agreement and the Note *Agreement Withholding County Monies to Satisfy Delinquent Payments*", there is no Indenture fund or account which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the County in making such Note Payments, and there are no other sources from which the Debt Service Fund will be replenished except the Note Payments and investment income on moneys in the funds and accounts. While the County covenants to take such action as may be necessary to include all Note Payments and amounts due under the Loan Agreement in its annual budget and to make the necessary annual appropriations for all such Note Payments and amounts due under the Loan Agreement, there can be no representation or assurance, that the County will realize sufficient revenues to meet its financial obligations set forth in its annual budget. Certain financial statements and budgets of the County are contained in "APPENDIX E - HARRISON COUNTY, MISSISSIPPI AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002 AND FISCAL YEARS 2003 AND 2004 ADOPTED BUDGETS."

The realization of sufficient revenues can be subject to, among other things, future economic and demographic conditions, and other conditions which are variable and not certain of prediction. For a description of the County and its Note, see "APPENDIX B - INFORMATION ON THE COUNTY" and "APPENDIX C - FORM OF LOAN AGREEMENT AND NOTE." For a description of procedures for providing for the payment of Note, see the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Provisions for Payment of the Note Payments." For financial information for the County, see "APPENDIX E - HARRISON COUNTY, MISSISSIPPI AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002 AND FISCAL YEARS 2003 AND 2004 ADOPTED BUDGETS."

Tax Covenants

The Bank has covenanted under the Indenture to use its best efforts to comply with all actions required to assure the continuing exclusion of interest on the Bonds from gross income for federal income tax purposes. Failure by the Bank to comply with such covenants could cause the interest on the Bonds to be taxable retroactive to the date of issuance of the Bonds. Further, the County has covenanted in the Loan Agreement that it will comply with certain requirements under the Code to ensure continuing exclusion from gross income for federal income tax purposes of interest on the Bonds. Failure by the County to comply with such requirements could cause the interest on such Bonds to be taxable retroactive to the date of issuance. It is not an Event of Default under the Indenture if interest on the Bonds is not excludable from gross income for federal income tax purpose or otherwise pursuant to any provision of the Code which is not in effect on the date of issuance of the Bonds. See "TAX MATTERS" herein.

Remedies

The remedies available to the Trustee, to the Bank or to the owners of the Bonds upon an Event of Default under the Indenture or under the terms of the Loan Agreement and the Note are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the Loan Agreement and the Note may not be readily available or may be limited.

Ratings

There is no assurance that the ratings assigned to the Bonds at the time of issuance (see "RATINGS" herein) will not be lowered or withdrawn at any time, the effect of which could adversely

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affect the market price for and marketability of the Bonds. If and when a Bondholder elects to sell a Bond prior to maturity, there is no assurance that a market will have been established, maintained and in existence for the purchase and sale of Bonds, and there is no assurance as to the purchase price which a buyer would be willing to pay.

Certain Bankruptcy Risks

In the event the County were to become a debtor under the Bankruptcy Code, payments under the Loan Agreement and Note may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments acquired after the commencement of such a bankruptcy case or within ninety (90) days prior thereto. Under existing Constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Loan Agreement, the Note and the Indenture may not be readily available or may be limited. The various legal opinions delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally. Furthermore, if a bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the County, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable equivalent" and "adequate protection" under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the Loan Agreement, the Note, the Indenture, or related documents that make bankruptcy and related proceedings by the County an Event of Default thereunder. All of these events would adversely effect the payment of debt service on the Bonds.

Possible Claims of Third-Party Creditors

On February 2, 1990, the United States District Court for the District of Columbia held in *Martens v. Hadley Memorial Hospital*, 729 F. Supp. 1391 (D.D.C. 1990), that a judgment creditor of a beneficiary of the proceeds of tax exempt revenue bonds could satisfy its judgment from moneys held by a trustee in a debt service reserve fund pledged to secure the revenue bonds. The Court held that absent a default under the loan agreement pursuant to which the revenue bond proceeds were loaned to the borrower and the acceleration of the obligations under the loan agreement, the Trustee bank holding the debt service reserve fund could not prevent the judgment creditor from attaching the debt service reserve fund to satisfy the judgment. If the principles of the *Martens* case were applied by a court having jurisdiction over the County, there is risk that judgment creditors of the County could attach the funds securing the Bonds, including in particular, the Debt Service Reserve Fund.

LITIGATION

There is not now pending or, to the Bank's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Bonds or prohibiting the Bank from making the Loan to the County with the proceeds of the Bonds or in any way contesting or affecting the validity of the Bonds, any proceedings of the Bank taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds. Neither the creation, organization nor existence of the Bank nor the title of any of the present directors or other officers of the Bank to their respective offices is being contested.

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There is not now pending or, to the knowledge of the County described in "APPENDIX B - INFORMATION ON THE COUNTY," threatened any litigation restraining or enjoining the execution or delivery of the Loan Agreement or Note or prohibiting the County from delivering the Note to the Bank or in any way contesting or affecting the validity of the Loan Agreement or Note, any proceedings of any of the County taken with respect to the execution and delivery thereof or the pledge or application of any moneys or security provided for the payment of the Note.

TAX MATTERS

In the opinion of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, and Page, Mannino, Peresich and McDermott, Co-Bond Counsel, interest on the Bonds is excludable from gross income for federal tax purposes, pursuant to Section 103 of the Code. The opinion of Co-Bond Counsel is based on certain certifications, covenants and representations of the Bank and the County (collectively, the "Tax Covenants") and is conditioned on continuing compliance therewith.

In the opinion of Co-Bond Counsel, interest on the Bonds is exempt from income taxation in the State under existing laws, regulations, rulings and judicial decisions. This opinion relates only to the exemption of interest on the Bonds for State income tax purposes.

The Code imposes certain requirements which must be met subsequent to the issuance of the Bonds as a condition to the exclusion from gross income of interest on the Bonds for federal tax purposes. Non-compliance with such requirements may cause interest on the Bonds to be included in gross income for federal tax purposes retroactive to the date of issue irrespective of the date on which such noncompliance occurs. Should the Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Bonds would be materially and adversely affected. The Tax Covenants include covenants that (a) the Bank and the County will not take or fail to take any action with respect to the Bonds if such action or omission would result in the loss of the exclusion from gross income for federal tax purposes of interest on the Bonds under Section 103 of the Code, and neither the Bank nor the County will act in any other manner which would adversely affect such exclusion; (b) the Bank and the County will not make any investment or do any other act or thing during the period that the Bonds are Outstanding which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and (c) if required by the Code, the Bank and the County will rebate any necessary amounts to the United States of America. It is not an Event of Default under the Indenture if interest on the Bonds is not excludable from gross income for federal income tax purposes or otherwise pursuant to any provision of the Code which is not in effect on the date of issuance of the Bonds.

The interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Bonds is included in adjusted current earnings in calculating corporate alternative minimum taxable income for purposes of the corporate alternative minimum tax and the environmental tax imposed by Section 59A of the Code.

Although Co-Bond Counsel has rendered an opinion that interest on the Bonds is excluded from federal gross income and exempt from State income tax, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder's federal income tax or State tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Co-Bond Counsel expresses no opinion regarding any other such tax consequences. Prospective purchasers

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of the Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Bonds by the Bank are subject to the approval of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mannino, Peresich and McDermott, Biloxi, Mississippi, Co-Bond Counsel, whose approving opinion will be delivered with the Bonds and is set forth in "APPENDIX D - FORM OF CO-BOND COUNSEL OPINION" hereto. Certain legal matters will be passed upon for the Original Purchaser by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mannino, Peresich and McDermott, Biloxi, Mississippi. Certain legal matters will be passed upon for the Bank by Balch & Bingham, Gulfport, Mississippi, and for the County by Meadows Riley Law Firm, Gulfport, Mississippi.

The remedies available to the Trustee, to the Bank or to the owners of the Bonds upon an Event of Default under the Indenture or under the terms of the Loan Agreement and Note are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Indenture and under the Loan Agreement and the Note may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

CONTINUING DISCLOSURE

On November 10, 1994, the Securities and Exchange Commission (the "Commission") amended Rule 15c2-12 which was originally adopted by the Commission in 1989 under the Securities Exchange Act of 1934 and set forth certain disclosure requirements relating to a primary offering of municipal securities. The amendments to Rule 15c2-12, which were effective beginning July 3, 1995, add to the existing disclosure obligations relating to municipal securities by requiring that, prior to purchasing or selling municipal securities, brokers, dealers and municipal securities dealers must reasonably determine that the issuer of such municipal securities, together with any other "obligated persons," within the meaning of Rule 15c2-12, have entered into an undertaking for the benefit of bondholders to make certain information available to bondholders on a continuing basis. The Bank and the County are "obligated persons" with respect to the Bonds within the meaning of Rule 15c2-12.

The Bank and the County will enter into a written undertaking with the Trustee for the benefit of the Bondholders to deliver, or cause to be delivered, to each "nationally recognized municipal securities information repository," within the meaning of Rule 15c2-12, and certain other entities described in Rule 15c2-12 (said repositories and other entities are collectively referred to as the "Repositories"), the information required by Rule 15c2-12.

The Bank has agreed to deliver to the Repositories notices of certain events relating to the Bonds and the Bank, if the Bank deems such events to be material. Further, the County has agreed to cause the delivery to the Repositories of (a) annual financial information relating to the County and (b) certain events relating to the undertakings if the County deems such events to be material.

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RATINGS

Standard & Poor's Ratings Group is expected to assign their ratings of "_____" to the Bonds with the understanding that upon delivery of the Bonds, (i) a Financial Guaranty Insurance Policy insuring the payment when due of the principal of and interest on the Bonds will be issued by Ambac Assurance, and (ii) the Standby Purchase Agreement will be executed and delivered by all parties thereto. Such ratings reflect the views of only such organizations and are not a recommendation to buy, sell or hold the Bonds.

Generally a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by either rating agency, if in the judgment of either such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse affect on the market price of the Bonds.

FINANCIAL ADVISOR

The Bank has retained Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi, as independent financial advisor (the "Financial Advisor") in connection with the sale and issuance of the Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the Bank with respect to the preparation of documents, the preparation for the sale of the Bonds and of the time of the sale, tax exempt bond market conditions and other factors related to the sale of said Bonds. The Financial Advisor has not independently verified any of the information set forth herein. Holley, Grubbs, Mitcham & Phillips will also serve as Program Administrator, and in such capacity expects to receive additional compensation under the Administration Agreement and in connection with the structuring of any Swap Agreement.

UNDERWRITING

The Bonds are being purchased for reoffering by Sisung Securities Corporation, New Orleans, Louisiana (the "Original Purchaser"), shown on the cover hereof at a purchase price of \$ _____ (\$ _____ par amount of Bonds, less \$ _____ for Original Purchaser's discount). The bond purchase agreement pursuant to which the Original Purchaser expects to purchase the Bonds provides that the Original Purchaser will purchase all the Bonds if any are purchased. The obligation of the Original Purchaser to accept delivery of the Bonds is subject to various conditions stated in such bond purchase agreement.

The Original Purchaser may offer and sell the Bonds to other dealers and other purchasers at prices lower than the public offering prices stated on the cover page hereof. The initial public offering prices may be changed from time to time by the Original Purchaser.

REMARKETING AGENT

Under a Remarketing Agreement dated the date of delivery of the Bonds (the "Remarketing Agreement"), by and among Sisung Securities Corporation, New Orleans, Louisiana, the County, and the Bank, Sisung Securities Corporation is appointed as the initial remarketing agent (the "Remarketing Agent") for the Bonds. Under the Indenture, the Remarketing Agent may be removed by the County, with the consent of the Standby Purchaser and the Bond Insurer, on 60 days' notice. The Remarketing Agent may resign at any time by giving at least 60 days' notice to the other Financing Participants. A

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successor Remarketing Agent may be appointed by the County with the consent of the Bank and the Standby Purchaser.

FINANCIAL GUARANTY INSURANCE POLICY AND SURETY BOND

Payment Pursuant to Financial Guaranty Insurance Policy

Ambac Assurance has made a commitment to issue a financial guaranty insurance policy (the "Financial Guaranty Insurance Policy") relating to the Bonds effective as of the date of issuance of the Bonds. Under the terms of the Financial Guaranty Insurance Policy, Ambac Assurance will pay to The Bank of New York, in New York, New York or any successor thereto (the "Insurance Trustee") that portion of the principal of and interest on the Bonds which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Financial Guaranty Insurance Policy). Ambac Assurance will make such payments to the Insurance Trustee on the later of the date on which such principal and interest becomes Due for Payment or within one business day following the date on which Ambac Assurance shall have received notice of Nonpayment from the Trustee/Paying Agent. The insurance will extend for the term of the Bonds and, once issued, cannot be canceled by Ambac Assurance.

The Financial Guaranty Insurance Policy will insure payment only on stated maturity dates and on mandatory sinking fund installment dates, in the case of principal, and on stated dates for payment, in the case of interest. If the Bonds become subject to mandatory redemption and insufficient funds are available for redemption of all outstanding Bonds, Ambac Assurance will remain obligated to pay principal of and interest on outstanding Bonds on the originally scheduled interest and principal payment dates including mandatory sinking fund redemption dates. In the event of any acceleration of the principal of the Bonds, the insured payments will be made at such times and in such amounts as would have been made had there not been an acceleration.

In the event the Trustee/Paying Agent has notice that any payment of principal of or interest on a Bond which has become Due for Payment and which is made to a Bondholder by or on behalf of the Bank has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available.

The Financial Guaranty Insurance Policy does **not** insure any risk other than Nonpayment, as defined in the Financial Guaranty Insurance Policy. Specifically, the Financial Guaranty Insurance Policy does **not** cover:

1. payment on acceleration, as a result of a call for redemption (other than mandatory sinking fund redemption) or as a result of any other advancement of maturity.
2. payment of any redemption, prepayment or acceleration premium.
3. nonpayment of principal or interest caused by the insolvency or negligence of any Trustee or Paying Agent, if any.

If it becomes necessary to call upon the Financial Guaranty Insurance Policy, payment of principal requires surrender of Bonds to the Insurance Trustee together with an appropriate instrument of assignment so as to permit ownership of such Bonds to be registered in the name of Ambac Assurance to the extent of the payment under the Financial Guaranty Insurance Policy. Payment of interest pursuant to

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the Financial Guaranty Insurance Policy requires proof of Bondholder entitlement to interest payments and an appropriate assignment of the Bondholder's right to payment to Ambac Assurance.

Upon payment of the insurance benefits, Ambac Assurance will become the owner of the Bond, appurtenant coupon, if any, or right to payment of principal or interest on such Bond and will be fully subrogated to the surrendering Bondholder's rights to payment.

The Financial Guaranty Insurance Policy does not insure against loss relating to payments of purchase price of Bonds upon tender by a registered owner thereof or any preferential transfer relating to payments of the purchase price of the Bonds upon tender by a registered owner thereof.

Debt Service Reserve Fund Ambac Assurance Surety Bond

The Indenture requires the establishment of a Debt Service Reserve Fund in an amount equal to the Debt Service Reserve Requirement for the Bonds. The Indenture authorizes the Bank to obtain a Reserve Fund Credit Facility (the "Surety Bond") in place of fully funding the Debt Service Reserve Fund. Accordingly, application has been made to Ambac Assurance for the issuance of a Surety Bond for the purpose of funding the Debt Service Reserve Fund (see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Debt Service Reserve Fund" herein). The Bonds will only be delivered upon the issuance of such Surety Bond. The Surety Bond provides that upon the later of (i) one (1) day after receipt by Ambac Assurance of a demand for payment executed by the Paying Agent certifying that provision for the payment of principal of or interest on the Bonds when due has not been made or (ii) the interest payment date specified in the Demand for Payment submitted to Ambac Assurance, Ambac Assurance will promptly deposit funds with the Paying Agent sufficient to enable the Paying Agent to make such payments due on the Bonds, but in no event exceeding the Surety Bond Coverage, as defined in the Surety Bond.

Pursuant to the terms of the Surety Bond, the Surety Bond Coverage is automatically reduced to the extent of each payment made by Ambac Assurance under the terms of the Surety Bond and the Bank is required to reimburse Ambac Assurance for any draws under the Surety Bond with interest at a market rate. Upon such reimbursement, the Surety Bond is reinstated to the extent of each principal reimbursement up to but not exceeding the Surety Bond Coverage. The reimbursement obligation of the Bank is subordinate to the Bank's obligations with respect to the Bonds.

In the event the amount on deposit, or credited to the Debt Service Reserve Fund, exceeds the amount of the Surety Bond, any draw on the Surety Bond shall be made only after all the funds in the Debt Service Reserve Fund have been expended. In the event that the amount on deposit in, or credited to, the Debt Service Reserve Fund, in addition to the amount available under the Surety Bond, includes amounts available under a letter of credit, insurance policy, surety bond or other such funding instrument (the "Additional Funding Instrument"), draws on the Surety Bond and the Additional Funding Instrument shall be made on a pro rata basis to fund the insufficiency. The Indenture provides that the Debt Service Reserve Fund shall be replenished in the following priority: (i) principal and interest on the Surety Bond and Additional Funding Instrument shall be paid from first available Revenues on a pro-rata basis; (ii) after all such amounts are paid in full, amount necessary to fund the Debt Service Reserve Fund to the required level, after taking into account the amounts available under the Surety Bond and the Additional Funding Instrument shall be deposited from next available Revenues on a pro-rata basis.

The Surety Bond does not insure against nonpayment caused by the insolvency or negligence of the Trustee or the Paying Agent.

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Ambac Assurance Corporation

Ambac Assurance is a Wisconsin-domiciled stock insurance corporation regulated by the Office of the Commissioner of Insurance of the State of Wisconsin and licensed to do business in 50 states, the District of Columbia, the Territory of Guam and the Commonwealth of Puerto Rico, with admitted assets of approximately \$6,993,000,000 (unaudited) and statutory capital of approximately \$4,195,000,000 (unaudited) as of September 30, 2003. Statutory capital consists of Ambac Assurance's policyholders' surplus and statutory contingency reserve. Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Moody's Investors Service and Fitch IBCA, Inc. have each assigned a triple-A financial strength rating to Ambac Assurance.

Ambac Assurance has obtained a ruling from the Internal Revenue Service to the effect that the insuring of an obligation by Ambac Assurance will not affect the treatment for federal income tax purposes of interest on such obligation and that insurance proceeds representing maturing interest paid by Ambac Assurance under policy provisions substantially identical to those contained in its Financial Guaranty Insurance Policy shall be treated for federal income tax purposes in the same manner as if such payments were made by the Issuer of the Bonds.

Ambac Assurance makes no representation regarding the Bonds or the advisability of investing in the Bonds and makes no representation regarding, nor has it participated in the preparation of, the Official Statement other than the information supplied by Ambac Assurance and presented under the heading "FINANCIAL GUARANTY INSURANCE POLICY AND SURETY BOND" herein.

Available Information

The parent company of Ambac Assurance, Ambac Financial Group, Inc. (the "Company"), is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "SEC"). These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including the Company. These reports, proxy statements and other information can also be read at the offices of the New York Stock Exchange, Inc. (the "NYSE"), 20 Broad Street, New York, New York 10005.

Copies of Ambac Assurance's financial statements prepared in accordance with statutory accounting standards are available from Ambac Assurance. The address of Ambac Assurance's administrative offices and its telephone number are One State Street Plaza, 19th Floor, New York, New York, 10004 and (212) 668-0340.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the Commission (File No. 1-10777) are incorporated by reference in this Official Statement.

1. The Company's Current Report on Form 8-K dated January 23, 2003 and filed on January 24, 2003;

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2. The Company's Current report on Form 8-K dated February 25, 2003 and filed on February 28, 2003;

3. The Company's Current Report on Form 8-K dated February 25, 2003 and filed on March 4, 2003;

4. The Company's Current Report on Form 8-K dated March 18, 2003 and filed on March 20, 2003;

5. The Company's Current Report on Form 8-K dated March 19, 2003 and filed on March 26, 2003;

6. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002 and filed on March 28, 2003;

7. The Company's Current Report on Form 8-K dated March 25, 2003 and filed on March 31, 2003;

8. The Company's Current Report on Form 8-K dated April 17, 2003 and filed on April 21, 2003;

9. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended March 31, 2003 and filed on May 15, 2003;

10. The Company's Current Report on Form 8-K dated July 17, 2003 and filed on July 18, 2003;

11. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended June 30, 2003 and filed on August 14, 2003;

12. The Company's Current Report on Form 8-K dated October 16, 2003 and filed on October 17, 2003;

13. The Company's Quarterly Report on Form 10-Q for the fiscal quarterly period ended September 30, 2003 and filed on November 14, 2003; and

14. The Company's Annual Report amendment No. 1 on Form 10-K/A for the fiscal year ended December 31, 2002 and filed on November 19, 2003.

All documents subsequently filed by the Company pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in the same manner as described above in "Available Information."

V A L I D A T I O N

The Bonds will be validated before the Chancery Court of the First Judicial District of Hinds County, Mississippi, located in Jackson, Mississippi, as provided by Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended.

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MISCELLANEOUS

The Original Purchaser may engage in secondary market trading activities with respect to the Bonds or with respect to the investment of the proceeds of the Bonds. The Original Purchaser expect to earn a profit in connection with such activities.

All quotations from, and summaries and explanations of, the Act, the Indenture, the Bonds, the Loan Agreement and the Note contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of its provisions. The attached Appendices are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture, the Loan Agreement and the supplemental materials furnished to the Bank by the County may be obtained upon request directed to the Bank.

This Official Statement is not to be construed as constituting an agreement with the purchasers of the Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Preliminary Official Statement has been deemed final by the Bank as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, except for the permitted omissions under said Rule.

This Official Statement has been duly approved, executed and delivered by the Bank. The Bank will provide copies of this Official Statement to the Original Purchaser to be distributed to the purchasers of the Bonds.

MISSISSIPPI DEVELOPMENT BANK

By: s/ William T. Barry
Executive Director

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APPENDIX A
DEFINITIONS AND SUMMARY OF INDENTURE

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DEFINITIONS AND SUMMARY OF THE INDENTURE

The following are certain definitions used in this Official Statement, the Indenture and the Loan Agreement. These definitions are contained in the Indenture and are not purported to be complete or definitive and are qualified in their entirety by reference to the Indenture, copies of which are on file with the Bank and the Trustee.

"Act" means Sections 31-25-1 *et seq.*, of the Mississippi Code of 1972, as amended, and all future acts supplemental thereto and amendatory thereof.

"Additional Bonds" means bonds, if any, issued in one or more series on a parity with the Bonds pursuant to Article V of this Indenture.

"Administration Agreement" means the Administration Agreement dated December 23, 2003, by and among the Bank, the County and the Administrator, whereby the County has employed the Administrator to consult with and advise the County regarding its duties, responsibilities and covenants under the Loan Agreement and the Note and to perform certain other services as requested by the County as further provided in the Administration Agreement, including compliance with provisions of the Indenture.

"Administrator" or **"Program Administrator"** means Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi.

"Authorized Bank Representative" means the person(s) at the time designated to act under this Indenture on behalf of the Bank by a written certificate furnished to the Trustee containing the specimen signature of such person(s) and signed on behalf of the Bank by the President, Executive Director or Secretary thereof. Such certificate may designate an alternate or alternates.

"Authorized County Representative" means either (i) the President of the Board of Supervisors of the County, (ii) the County Administrator or (iii) the Chancery Clerk of the County, or any person subsequently designated to act under the Loan Agreement, the Note and this Indenture on behalf of the County by a written certificate furnished to the Trustee containing the specimen signature of such person(s) and signed on behalf of the County by the President of the Board of Supervisors of the County.

"Authorized Denomination" shall have the meaning assigned in Section 3.2 hereof.

"Available Commitment" shall have the meaning assigned in the Standby Purchase Agreement.

"Bank" means the Mississippi Development Bank, a public corporation of the State created by the provisions of the Act, or any agency, board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the Bank by said provisions shall be given by law.

"Beneficial Owner" means, so long as a book-entry system of registration is in effect pursuant to Section 3.18 hereof, the actual purchaser of the Bonds.

"Bond Documents" mean collectively the Indenture, Loan Agreement, the Note, Standby Purchase Agreement, Remarketing Agreement and Financial Guaranty Insurance Policy.

"Bond Insurer" means the issuer of the Financial Guaranty Insurance Policy, which shall initially be Ambac Assurance Corporation.

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“**Bond Proceeds Fund**” means the fund of that name created under this Indenture.

“**Bond Purchase Fund**” shall mean the fund established pursuant to Section 4.1(f) hereof.

“**Bond Register**” means, when used with respect to the Bonds, the registration records maintained by the Trustee pursuant to Section 3.13 of this Indenture.

“**Bondholder**” or “**Holder**” or “**owner**”, when used with reference to a Bond or Bonds, means the registered owner of any outstanding Bond or Bonds.

“**Bonds**” means the Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), authorized herein and by the Act to be issued by the Bank in the aggregate principal amount of \$ _____, including such Bonds issued in exchange for other such Bonds pursuant to this Indenture, or in replacement for mutilated, destroyed, lost or stolen Bonds pursuant to this Indenture.

“**Business Day**” means any day other than (i) a Saturday, (ii) a Sunday, (iii) any other day on which banking institutions in New York, New York, New Orleans, Louisiana, or Gulfport, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (iv) any day the Courthouse of the County is not closed, or (v) a day on which the New York Stock Exchange is closed.

“**Co-Bond Counsel**” means together Butler, Snow, O’Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Page, Mannino, Peresich and McDermott, Biloxi, Mississippi, and their respective successors, or such other nationally recognized bond counsel as may be selected by the Bank and acceptable to the County and the Bond Insurer.

“**County**” means Harrison County, Mississippi.

“**Closing Date**” means the date on which the Bonds are delivered and payment therefor is received by the Bank.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the regulations and rulings promulgated thereunder.

“**Conversion Date**”, when used with respect to the Bonds, shall mean the day on which conversion from one Interest Rate Mode to a different Interest Rate Mode becomes effective.

“**Costs of Issuance**” means all items of expense, directly or indirectly payable or reimbursable and related to the authorization, sale and issuance of the Bonds and the Note, including, but not limited to, printing costs, cost of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any fiduciary, legal fees and charges, fees and charges for the preparation and distribution of a preliminary official statement and official statement, fees to the Standby Purchaser, fees of Counsel to the Standby Purchaser, fees of Counsel to the Bond Insurer, fees and disbursements of consultants and professionals, including financial advisors, underwriters, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of the Bonds, costs and expenses of refunding, premiums for the insurance of the payment of the Bonds, if any, and any other cost, charge or fee paid or payable by the Bank in connection with the original issuance of the Bonds and the Note.

“**Costs of Issuance Account**” means the account so designated which is established pursuant to this Indenture.

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“**Debt Service Fund**” means the fund of that name created under this Indenture.

“**Debt Service Reserve Fund**” means the fund by that name created by Section 4.1 hereof.

“**Debt Service Reserve Requirement**” means the lesser of the following: (i) the maximum amount of principal and interest becoming due in the current year or any future bond year (meaning each one year beginning on December 2 and ending on December 1 the following year) on all Bonds then outstanding; (ii) 125% of average annual debt service on the Bonds; and (iii) 10% of the stated principal amount of the Bonds, which Debt Service Reserve Requirement may be funded with cash or a Reserve Fund Credit Facility.

“**Defeasance Obligations**” means investments described in paragraphs (a)(1) and (a)(2) of the definition of Permitted Investments.

“**DTC**” or “**Securities Depository**” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns, including any successor securities depositories appointed pursuant to this Indenture.

“**Expiration Date**”, when used with respect to any Standby Purchase Agreement, shall mean the date on which the commitment of the Standby Purchaser to purchase Bonds actually terminates.

“**Financial Guaranty Insurance Policy**” means the financial guaranty insurance policy issued by the Bond Insurer guaranteeing the payment when due of the principal of and interest on the Bonds as provided therein.

“**Financing Participants**” shall mean the Bank, the County, the Trustee, the Paying Agent, the Standby Purchaser, the Bond Insurer, Reserve Fund Credit Facility Issuer, the Original Purchaser and the Remarketing Agent.

“**Fiscal Year**” means any period of twelve consecutive months adopted by the County as its fiscal year for financial reporting purposes, presently the period beginning on October 1 and ending on September 30 of each year.

“**Guaranty**” shall mean a Guaranty Agreement by and between the Bank and Ambac Assurance Corporation, the initial Reserve Fund Credit Facility Issuer, dated December 23, 2003, under which the Bank agreed to reimburse Ambac Assurance Corporation for all draws under the Surety Bond.

“**Indenture**” means this Trust Indenture dated December 23, 2003, by and between the Bank and the Trustee, as it may be amended or supplemented from time to time by supplemental indentures in accordance with the provisions hereof.

“**Interest Account**” means the Interest Account within the Debt Service Fund created pursuant to Article IV of this Indenture.

“**Interest Payment Date**” shall mean the date interest is payable on any Bond as provided in Section 3.2(g) hereof.

“**Interest Rate Mode**”, when used with respect to the Bonds, shall mean the Weekly Rate Mode or the Term Rate Mode.

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“**Loan Agreement**” means the Loan Agreement, dated December 23, 2003, by and between the Bank and the County.

“**Local Governmental Units**” means (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State of Mississippi, (ii) the State of Mississippi or any agency thereof, (iii) the institutions of higher learning of the State of Mississippi, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under state law, such as the County, through programs of making loans to such local governmental units under loan agreements between such local governmental units and the Bank.

“**Mandatory Tender**”, when used with respect to the Bonds, shall mean a required tender of a Bond for purchase pursuant to Section 3.8 hereof.

“**Mandatory Tender Date**”, when used with respect to the Bonds, shall mean a date on which a Bond is to be purchased pursuant to a Mandatory Tender.

“**Maturity**”, when used with respect to any Bond, shall mean the date specified herein and in such Bond as the date on which principal of such Bond is due and payable. After Serial Maturities are assigned to the Bonds, the term “Maturity” shall refer to the Serial Maturity of a Bond.

“**Maximum Rate**” shall mean, with respect to the interest rate on the Bonds, thirteen percent (13%) per annum.

“**Moody’s**” means Moody’s Investors Service, a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Bank with the approval of the County and the Bond Insurer.

“**Note**” means the \$ _____ Promissory Note (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), dated December 23, 2003, from County to the Bank.

“**Note Interest Payment**” means that portion of a Note Payment which represents the interest due or to become due on a Note held by the Trustee pursuant to this Indenture.

“**Note Payment**” or “**Basic Payment**” means the amounts paid or required to be paid, from time to time, for principal and interest on a the Note held by the Trustee pursuant to the Loan Agreement and this Indenture.

“**Note Principal Payment**” means that portion of a Note Payment which represents the principal due or to become due on a Note held by the Trustee pursuant to this Indenture.

“**Optional Tender**”, when used with respect to the Bonds, shall mean tender of a Bond for purchase at the option of the Holder thereof pursuant to Section 3.7 hereof.

“**Optional Tender Date**”, when used with respect to the Bonds, shall mean a date which a Bond is to be purchased pursuant to an Optional Tender.

“**Original Purchaser**” means Sisung Securities Corporation, New Orleans, Louisiana, as the initial purchaser of the Bonds.

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"**Outstanding**" or "**outstanding**", when used with reference to Bonds, means all Bonds which have been authenticated and issued under this Indenture except:

- (a) Bonds canceled by the Trustee pursuant to this Indenture;
- (b) Bonds for the payment of which moneys or Defeasance Obligations shall be held in trust for their payment by the Trustee as provided in the defeasance provisions of this Indenture;
- (c) Bonds which have been duly called for redemption and for which the redemption price thereof is held in trust by the Trustee as provided in this Indenture;
- (d) Bonds in exchange for which other Bonds shall have been authenticated and delivered by the Trustee as provided in this Indenture; and
- (e) for all purposes regarding consents and approvals or directions of Bondholders under this Indenture, Bonds held by or for the Bank, the County or any person controlling, controlled by or under common control with either of them.

Any Bonds the principal of or interest on which have been paid by the Bond Insurer shall specifically remain Outstanding hereunder.

"**Participant**" means any broker-dealer, bank and other financial institution from time to time for which DTC holds Bonds as securities depository.

"**Paying Agent**" shall mean paying agent for the Bonds (which shall always be the same entity as the Trustee) and its successor or successors appointed pursuant to the provisions of this Indenture.

"**Permitted Investments**" means, to the extent permitted by State law:

(a) The following obligations may be used as Permitted Investments for all purposes, including defeasance investments in refunding escrow accounts:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (2) below), or
- (2) Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America.

(b) The following obligations may be used as Permitted Investments for all purposes other than defeasance investments in refunding escrow accounts:

- (1) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Rural Economic Community Development Administration
(formerly the Farmers Home Administration)
- General Services Administration
- U. S. Maritime Administration

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Small Business Administration
 Government National Mortgage Association (GNMA)
 U. S. Department of Housing & Urban Development (PHA's)
 Federal Housing Administration
 Federal Financing Bank;

(2) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

Senior debt obligations rated "Aaa" by Moody's and "AAA" by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
 Obligations of the Resolution Funding Corporation (REFCORP)
 Senior debt obligations of the Federal Home Loan Bank System
 Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer;

(3) U. S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(4) Commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P and "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

(5) Investments in a money market fund rated "AAA_m" or "AAA_m-G" or better by S&P and "AaaMR1" or better by Moody's;

(6) Pre-refunded Municipal Obligations defined as follows: Any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

- (A) which are rated based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or
- (B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a)(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate, provided, however, that Pre-refunded Municipal Obligations

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meeting the requirements of this subsection (B) may not be used as Permitted Investments without the prior written approval of S&P.

(7) General obligations of any state of the United States of America with a rating of at least "A2/A" or higher by both Moody's and S&P.

(8) Investment agreements approved in writing by the Bond Insurer supported by appropriate opinions of counsel with notice to the Rating Agency; and

(9) Other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer with notice to the Rating Agency.

(c) The value of the above investments shall be determined as follows:

"Value," which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(1) The value of the securities is computed on the basis of the closing bid price quoted by Interactive Data Systems, Inc.; or

(2) The valuation of the securities is performed by a nationally recognized and accepted pricing service acceptable to the Bond Insurer whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(3) The valuation of the collateral is based on the lower of two dealer bids on the valuation date. The dealers or their parent holding companies must be rated at least investment grade by S&P and Moody's. In addition, the dealers must be market makers in the securities being valued; or

(4) As to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest; and

(5) As to any investment not specified above: the value thereof established by prior agreement among the County, the Bank, the Trustee and the Bond Insurer.

"Principal Account" means the Principal Account within the Debt Service Fund created pursuant to Article IV of this Indenture.

"Purchased Bond" means a Bond owned by the Standby Purchaser after purchased pursuant to the Standby Purchase Agreement.

"Purchased Bond Purchase Date" shall mean a date on which a Bond is purchased by the Standby Purchaser pursuant to the Standby Purchase Agreement.

"Purchased Bond Redemption Date" shall have the meaning assigned to Redemption Date in Section 2.04(d) of the Standby Purchase Agreement commencing with the first such date which is at least 60 days after the Expiration Date.

"Purchased Bond Sale Date", when used with respect to any Purchased Bond, shall mean a date on which such Purchased Bond is sold by the Standby Purchaser pursuant to the Standby Purchase Agreement.

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"Purchased Bond Sale Price", when used with respect to a Purchased Bond that is sold by the Standby Purchaser, shall mean the principal amount of such Purchased Bond. Each Purchased Bond Sale Date is also an Interest Payment Date, and the interest payable with respect to a Purchased Bond on such date shall not be considered part of the Purchased Bond Sale Price.

"Purchased Rate" shall have the meaning assigned in the Standby Purchase Agreement; provided, however, that the Purchased Rate shall never exceed the Maximum Rate.

"Purchase Price", when used with respect to a Tendered Bond, shall mean 100% of the principal amount of such Bond plus accrued interest to the Tender Date. If the Tender Date for a Tendered Bond is also an Interest Payment Date for such Bond (other than an Interest Payment Date resulting solely from the purchase of such Bond by the Standby Purchaser), the interest due on such Interest Payment Date shall not be considered part of the Purchase Price; rather, such interest shall be paid in accordance with the provisions of this Indenture governing regular interest payments.

"Rating Agency" shall mean the rating agency or rating agencies which have provided an outstanding rating on the Bonds.

"Regular Record Date" shall have the meaning assigned in Section 3.2 hereof.

"Reserve Fund Credit Facility" means an irrevocable and unconditional letter of credit, insurance policy or surety bond, including the Surety Bond, the terms of which have been approved by the County, the Bank and the Bond Insurer, issued by a bank or other financial institution, which is acceptable to the County, the Bank and the Bond Insurer, having a long-term credit rating of "A" or better, as determined by S&P which credit facility names the Trustee as the beneficiary thereunder; provided, that any such credit facility must (a) be renewable or extendable on an annual basis; (b) have an initial term of not less than three (3) years; (c) provide that the bank or other financial institution providing such credit facility must notify the Trustee and the County, no less than thirty (30) days in advance of the expiration of the credit facility of its intention not to renew or extend such credit facility; (d) permit the Trustee to make a drawing thereunder to fund the Debt Service Reserve Fund no later than five (5) Business Days prior to the earlier of (1) the expiration date of such credit facility and (2) the date the proceeds of such drawing will be needed to fund the Debt Service Reserve Fund.

"Reserve Fund Credit Facility Issuer" shall mean the issuer of the Reserve Fund Credit Facility and shall mean initially as issuer of the Surety Bond.

"Revenues" shall mean all receipts, revenues, income and other money received by the County pursuant to the provisions of the Loan Agreement.

"S&P" or "Standard & Poor's Ratings Group" mean Standard & Poor's Ratings Group, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Bank with the approval of the County and the Bond Insurer.

"Serial Maturity" shall mean the Maturity of a Bond after the aggregate Maturities of the Bonds have been adjusted pursuant to Section 3.2 hereof to correspond with the remaining scheduled mandatory redemption requirements.

"Special Record Date" shall have the meaning given it in Section 3.2(j) hereof.

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"Standby Purchaser" shall mean Bank One, National Association, Chicago, Illinois, until a Substitute Standby Purchase Agreement is accepted by the Trustee, and thereafter "Standby Purchaser" shall mean the financial institution obligated to purchase Bonds under such Substitute Standby Purchase Agreement.

"Standby Purchase Agreement" shall mean that certain Standby Bond Purchase Agreement dated December 23, 2003, among the County, the Trustee and the Standby Purchaser, until a Substitute Standby Purchase Agreement is accepted by the Trustee, and thereafter "Standby Purchase Agreement" shall mean such Substitute Standby Purchase Agreement.

"Standby Purchaser Default" shall mean any one or more of the following events:

(a) the Standby Purchaser shall fail to purchase a Tendered Bond after a demand for purchase by the Paying Agent under the terms of the Standby Purchase Agreement; or

(b) the Standby Purchaser shall declare that it is not obligated to honor future demands for purchase of Tendered Bonds pursuant to the Standby Purchase Agreement; or

(c) an Act of Bankruptcy shall occur with respect to the Standby Purchaser, or the Standby Purchaser or a receiver (or other similar person with authority to control the disposition of the Standby Purchaser's assets) shall declare that the Standby Purchaser will not be able to purchase Tendered Bonds pursuant to the Standby Purchase Agreement.

A Standby Purchaser Default shall "exist" if a Standby Purchaser Default shall have occurred and be continuing.

"State" means the State of Mississippi.

"Stated Expiration Date", when used with respect to any Standby Purchase Agreement, shall mean the date on which the obligation of the Standby Purchaser to purchase Bonds thereunder will expire by its terms. The Stated Expiration Date of any Standby Purchase Agreement may be extended as provided in Section 4.9 hereof.

"Substitute Standby Purchase Agreement" shall mean an agreement for the purchase of Bonds not remarketed that is accepted by the Trustee pursuant to the terms and conditions of Section 4.9 hereof.

"Surety Bond" shall mean the reserve fund surety bond issued by Ambac Assurance Corporation guaranteeing certain payments into the Debt Service Reserve Fund with respect to the Bonds as provided therein and subject to the limitations set forth therein.

"Swap Agreement" shall mean a written agreement approved as to form and substance by the Bond Insurer between the Bank and a Swap Counterparty whereby the Bank is entitled to receive a floating interest rate payment on a notional amount equal to the principal amount of the Bonds outstanding at the time the Swap Agreement is executed (as such notional amount shall be reduced from time to time in accordance with the terms of the Swap Agreement), on each Swap Payment Date at a floating rate calculated in accordance with the Confirmation of the Swap Agreement, and the Bank is obligated to pay to the Swap Counterparty the Swap Payments.

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“**Swap Counterparty**” shall mean a financial institution with debt rated, or its obligations under the Swap Agreement are guaranteed or insured by a financial institution with debt or claims paying ability which is rated, "AA" or better by S&P and "Aa" or better by Moody's on the date the Swap Agreement is executed by the Bank and the Swap Counterparty and that is acceptable to the Bond Insurer.

“**Swap Payment**” shall mean, with respect to a notional principal amount as established pursuant to the Swap Agreement (as reduced from time to time in accordance therewith), an amount payable to the Swap Counterparty, which payment obligation shall be junior and subordinate to payments of debt service due on the Bonds, equal to the amount of interest accruing on such notional amount at a fixed interest rate computed in accordance with the Swap Agreement, but excluding any Termination Payments.

“**Swap Payment Date**” shall mean the date upon which each Swap Payment is due to the Swap Counterparty, or each Swap Receipt is due to the Bank, which shall be the payment dates defined in the Confirmation to the Swap Agreement.

“**Swap Receipts**” shall mean the amounts payable by the Swap Counterparty in respect of the notional principal amount pursuant to the terms of the Swap Agreement, including any Termination Payments.

“**Tax Intercept Agreement**” means that certain Tax Intercept Agreement dated December 23, 2003, by and between the Bank and the County, and accepted by the Trustee, as further described in Section 4.16 hereof.

“**Tender Date**”, when used with respect to Bonds, shall mean an Optional Tender Date or a Mandatory Tender Date, as the case may be.

“**Tendered Bonds**”, when used with respect to Bonds, shall mean Bonds tendered (or deemed tendered) for purchase pursuant to the Optional Tender or Mandatory Tender provisions of this Indenture.

“**Termination Payment**” shall mean an amount payable by the Bank or the Swap Counterparty upon termination or partial termination of a Swap Agreement, which payment(s) shall be junior and subordinate to payments of debt service due on the Bonds.

“**Term Rate**”, when used with respect to any Bond in the Term Rate Mode, shall mean the fixed interest rate borne by such Bond during a Term Rate Period.

“**Term Rate Interest Payment Date**”, when used with respect to any Bond in the Term Rate Mode, shall mean a date on which interest calculated according to a Term Rate is payable on such Bond.

“**Term Rate Mode**”, when used with respect to the Bonds, shall mean the Interest Rate Mode in which a Bond bears interest at the Term Rate.

“**Term Rate Period**”, when used with respect to any Bond in the Term Rate Mode, shall mean a period during which such Bond bears interest at a Term Rate established for such period.

“**Trust Estate**” means all the property assigned by the Bank to the Trustee pursuant to this Indenture as security for the Bonds.

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“**Trustee**” means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, initially Hancock Bank, Gulfport, Mississippi.

“**2000 Indenture Trustee**” shall mean Hancock Bank, as Trustee under that certain Indenture of Trust dated as of May 1, 1999 by and between the Bank and the Trustee.

“**2000 Loan Agreement**” shall mean that certain Loan Agreement dated December 18, 2000 by and between the Bank and the County, pursuant to which the County issued the Bank the 2000 Note to secure the County’s obligations thereunder; the County used the proceeds of the December 18, 2000 loan to provide funds for purchasing or erecting, equipping, repairing, reconstructing, remodeling and enlarging County buildings and related facilities, including the constructing and equipping of an Enhanced 911 Service building, and purchasing machinery and equipment and other capital projects.

“**2000 Note**” shall mean the \$15,000,000 Promissory Note of the County dated December 18, 2000, issued to secure the 2000 Loan Agreement.

“**Unredeemed Bond**”, when used with respect to the Bonds, shall mean a Bond (or portion thereof) which is deemed purchased pursuant to the Optional Tender or Mandatory Tender provisions hereof, but which has not been presented to the Paying Agent by the Holder thereof.

“**Weekly Rate**”, when used with respect to any Bond in the Weekly Rate Mode, shall mean the variable interest rate borne by such Bond while such Bond is in the Weekly Rate Mode.

“**Weekly Rate Interest Payment Date**”, when used with respect to any Bond in the Weekly Rate Mode, shall mean a date on which interest calculated at the Weekly Rate is payable on such Bond.

“**Weekly Rate Mode**”, when used with respect to the Bonds, shall mean the Interest Rate Mode in which a Bond bears interest at the Weekly Rate.

SUMMARY OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture. The summary does not purport to be complete or definitive and is qualified in its entirety by reference to the Indenture, copies of which are on file with the Bank and the Trustee.

Execution; Limitation of Liability. The Bonds shall be executed on behalf of the Bank with the manual or facsimile signatures of the President, Executive Director, Secretary or Assistant Secretary of the Bank, and shall have impressed or imprinted thereon the official seal of the Bank or a facsimile thereof.

Authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Indenture unless and until the respective certificate of authentication on the Bonds shall have been duly executed by a duly authorized representative of the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Indenture. The Trustee’s certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized representative of the Trustee, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued under the Indenture.

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Mutilated, Lost, Stolen or Destroyed Bonds. In the event any outstanding Bond, whether temporary or definitive, is mutilated, lost, stolen or destroyed, the Bank may execute and, upon its request, the Trustee may authenticate a new Bond of the same principal amount and of like tenor as the mutilated, lost or stolen or destroyed Bond; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Bank and the Trustee evidence of such loss, theft or destruction in form satisfactory to the Bank and the Trustee, together with indemnity satisfactory to them. In the event any such Bond shall have matured, instead of issuing a substitute Bond the Bank may authorize the payment of the same. The Bank and the Trustee may charge the owner of such Bond with their reasonable fees and expenses in this connection. Any Bond issued under these provisions in lieu of any Bond alleged to be destroyed, lost or stolen shall constitute an original additional contractual obligation on the part of the Bank, whether or not the Bond so alleged to be destroyed, lost or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of the Indenture together with all other Bonds in substitution for which such Bonds were issued.

Registration of Bonds. The Trustee shall be the bond registrar for the Bonds. So long as any of the Bonds shall remain Outstanding, there shall be maintained and kept for the Bank, at the principal corporate trust office of the Trustee, the Bond Register for the registration and transfer of the Bonds and, upon presentation thereof for such purpose at said office, the Trustee shall register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bond.

Each Bond shall be transferable only upon the Bond Register at the principal corporate trust office of the Trustee at the written request of the registered owner thereof or his legal representative duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or his legal representative duly authorized in writing. Upon the transfer of any such Bond, the Trustee shall issue in the name of the transferee, in authorized denominations, one or more Bonds of the same aggregate principal amount as the surrendered Bonds.

Persons Treated as Owners. The Bank and the Trustee may, for the purpose of receiving payment of, or on account of, the principal of, premium, if any, and interest on any Bond and for all other purposes, deem and treat the person in whose name such Bond shall be registered upon the Bond Register as the absolute owner of such Bond, whether or not such Bond is overdue, and neither the Bank nor the Trustee shall be affected by any notice to the contrary.

Payment made to the person deemed to be the owner of any Bond for the purpose of such payment in accordance herewith shall be valid and effectual, to the extent of the sum or sums so paid, to satisfy and discharge the liability upon such Bond in respect of which such payment was made.

Exchange and Transfer of Bonds. As long as any of the Bonds remain Outstanding, there shall be permitted the exchange of Bonds at the principal corporate trust office of the Trustee. Any Bond or Bonds upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or his legal representative duly authorized in writing, may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of other Bonds in Authorized Denominations.

For every such exchange or transfer of Bonds, the Bank or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

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The Trustee shall not be required to register the transfer or exchange of (a) any Bonds during the 15 day period next preceding the selection of Bonds to be redeemed and thereafter until the date of the mailing of a notice of redemption of Bonds selected for redemption, or (b) any Bonds selected, called or being called for redemption in whole or in part, except in the case of any Bond to be redeemed in part, the portion thereof not so to be redeemed.

Cancellation and Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any temporary or mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds paid at maturity by the Bank, the same shall forthwith be canceled and destroyed by the Trustee, and the Trustee, upon the request of the Bank, shall deliver its certificate of such destruction to the Bank.

Amounts Remaining in Funds; Releases. Any amounts remaining in the funds and accounts existing pursuant to the Indenture upon the expiration or sooner cancellation or termination of the Loan Agreement, as provided therein, after payment in full of all Bonds then Outstanding under the Indenture (or provisions for the payment thereof having been made in accordance with the Indenture), and the fees, charges and expenses of the Bank and the Trustee and all other amounts required to be paid under the Loan Agreement and under the Indenture, other than amounts payable as arbitrage rebate under Section 148(f) of the Code, or held in the Rebate Fund, shall belong to and be paid to the County.

Refunding Bonds. Refunding Bonds may be issued under and secured by a supplement to the Indenture for the purpose of providing funds for the refunding of the Bonds and Additional Bonds, upon compliance with the above provisions.

No Extension of Time for Payment of Principal, Premium or Interest. The Trustee shall not be authorized to extend the time for any payment of principal, premium or interest without the prior written consent of or authorization by the owner of the Bonds so affected.

Events of Default. Each of the following events is declared by the Indenture to be an "Event of Default":

(a) The payment of any installment of interest on any of the Bonds shall not be made when the same shall become due and payable;

(b) The payment of the principal of, or premium on, if any, the Bonds shall not be made when the same shall become due and payable, whether at maturity or by proceedings for redemption or by acceleration or otherwise;

(c) A default under the Loan Agreement shall have occurred and shall be continuing;

(d) The Bank fails to restore the Debt Service Reserve Fund to an amount equal to the Debt Service Reserve Requirement within one hundred twenty (120) days after the end of the Fiscal Year of the Bank during which a deficiency occurs; or

(e) Default by the Bank in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Indenture on the part of the Bank to be performed, if such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Bank and the County by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the owners of not less than a majority in principal amount of the Bonds then outstanding. Such default shall not become an Event of Default if said default be of the nature that (i) it cannot be corrected within the 30 day period after receipt of notice, but the Bank (or the County pursuant to the provisions of the Indenture)

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promptly shall institute and diligently pursue corrective action until such default is cured, (ii) the Trustee shall determine that such default is not curable but such default does not affect the validity or enforceability of the Bonds, the Indenture, the Note or the Loan Agreement, an event of nonperformance shall not have occurred under the Loan Agreement (other than as a result of the cross-default provisions), and such default does not impair the security or the obligations provided for or under the Bonds, the Indenture, the Note or the Loan Agreement, and (iii) the Bond Insurer shall have consented to such default not being an Event of Default.

The word "default" as used in the Indenture means failure of performance when due, exclusive of any period of grace, if any, allowed to correct any such failure. In addition, in determining whether a default in the payment of the principal of and interest on the Bonds has occurred or whether a payment of Bonds has been made under the Indenture, no effect shall be given to the payments made (if any) under the Financial Guaranty Insurance Policy.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default, the Bond Insurer, as long as the Financial Guaranty Insurance Policy shall be in full force and effect, shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under the Indenture (subject to the provisions of the Indenture and the Trustee's right to seek indemnity under the Indenture if such exercise requires the Trustee to act), including, without limitation (i) the right to accelerate the principal of the Bonds as described in the Indenture, and (ii) the right to annul any declaration of acceleration, and the Bond Insurer shall also be entitled to approve all waivers of Events of Defaults.

Remedies. Upon the occurrence of an Event of Default, the Bank, the Trustee and, subject to certain restrictions set forth below, the Bondholders shall have all the rights and remedies as may be allowed by law, the Indenture, or pursuant to the provisions of the Loan Agreement by virtue of the assignment of the Note under the Indenture, including but not limited to, acceleration of the maturity of all Bonds, or suit at law or in equity to enforce or enjoin the action or inaction of parties under the provisions of the Indenture or the Loan Agreement.

Acceleration; Annulment of Acceleration. (a) Upon the occurrence of an Event of Default, the Trustee may, with the consent of the Bond Insurer and shall, at the direction of the Bond Insurer or a majority of the Bondholders with the consent of the Bond Insurer, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding. In such event, there shall be due and payable on the Bonds an amount equal to the principal amount of all the Bonds then Outstanding plus all interest accrued thereon and which will accrue thereon to the date of payment. If the Bond Insurer is in default of its payment obligations under the Financial Guaranty Insurance Policy, the Owners of not less than a majority of the aggregate principal amount of Bonds Outstanding may direct the Trustee to declare the Bonds Outstanding immediately due and payable; and

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture or the Loan Agreement, the Trustee may annul such declaration and its consequences with respect to the Bonds if (i) moneys shall have been deposited in the Debt Service Fund sufficient to pay all matured installments of principal (other than principal due solely because of acceleration) and interest; (ii) moneys shall be available sufficient to pay the charges, compensation, expenses, disbursements, advances and liabilities of the Bank and the Trustee; (iii) all other amounts then payable by the Bank or the County under the Indenture or the Loan Agreement shall have been paid or a sum sufficient to pay the same shall have been

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deposited with the Trustee; and (iv) every Event of Default known to the Bank or the Trustee (other than a default in the payment of the principal of the Bonds due only because of such declaration) shall have been remedied to the satisfaction of the Bank and the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

No waiver of any Event of Default shall be effective without the written consent of the Bond Insurer.

Insufficiency in the Debt Service Fund; Application of Moneys. Anything in the Indenture to the contrary notwithstanding, if at any time the moneys in the Debt Service Fund shall not be sufficient to pay the interest on, premium, if any, or the principal of the Bonds as the same shall become due and payable (either by their terms or by acceleration of maturities), such moneys, together with any other moneys then available or thereafter becoming available for such purpose, whether through the exercise of the remedies provided for in the Indenture or otherwise, shall, subject to the rights of the Trustee to indemnity and compensation under the Indenture, be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due and payable in the order in which such installments became due and payable and, if the amount available shall not be sufficient to pay any particular installment, then to the payment thereof, ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds; then

SECOND, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due and payable (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture) in the order of their due dates, with interest on the principal amount of such Bonds due and payable, and, if the amount available shall not be sufficient to pay in full the principal of the Bonds and their interest thereon, then to the payment thereof ratably, according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and then

THIRD, to the payment of the interest on and the principal of the Bonds, to the purchase and retirement of Bonds and to the redemption of Bonds, all in accordance with the provisions of the Indenture.

(b) If the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference; and

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled, then, subject to the provisions above, in the event that the principal of all the Bonds shall later become or be declared due and payable, then all such moneys shall be applied in accordance with the provisions of the second preceding paragraph.

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(d) Whenever all principal of and interest on all Bonds have been paid under the above provisions and all expenses and charges of the Trustee and the Standby Purchaser have been paid, any balance remaining in the funds and accounts under the Indenture shall be used to pay any outstanding obligations to the Swap Counterparty under the Swap Agreement.

Whenever money is to be applied by the Trustee pursuant to these provisions, such money shall be applied by the Trustee at such times and from time to time as the Trustee in its sole discretion shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for application in the future; the deposit of such money or otherwise setting aside such money in trust for the proper purpose shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Bank, to any Bondholder or to any other person for any delay in applying any such money, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such money, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and shall not be required to make payment to the owner of any Bond until such Bond shall be surrendered to the Trustee for appropriate endorsement or for cancellation if fully paid.

Discontinuance of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no proceeding had been taken.

Appointment of Receiver. Upon the occurrence of an Event of Default, and upon filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders under the Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or keeper pending such proceedings, with such powers as the court making such appointment shall confer.

Remedies Not Exclusive. No remedy by the terms of the Indenture conferred upon or reserved to the Trustee or the Bondholders is intended to be exclusive of any other remedy, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or existing at law or in equity on or after the date of adoption of the Indenture.

Remedies Vested in Trustee. All rights of action under the Indenture, the Note, the Loan Agreement or under any of the Bonds may be enforced by the Trustee without possession of the Bonds and without their production in any trial or other proceeding relating thereto. Any suit or proceeding instituted by the Trustee may be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds.

Majority of Bondholders Control Proceedings. If an Event of Default shall have occurred and be continuing, notwithstanding anything in the Indenture to the contrary but subject to all of the rights granted to the Bond Insurer in the Indenture, the owners of at least a majority of the aggregate outstanding principal amount of Bonds then Outstanding shall have the right at any time by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture, provided the direction is in accordance with law and the provisions of the Indenture and, in the

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sole judgment of the Trustee, is not unduly prejudicial to the interest of Bondholders not joining in such direction, and provided further, that nothing in this paragraph shall impair the right of the Trustee in its discretion to take any other action under the Indenture which it may deem proper and which is not inconsistent with the direction by Bondholders.

Individual Bondholder Action Restricted. (a) Subject to the rights of the Bond Insurer, no owner of any Bond shall have any right to institute any suit, action or proceeding for the enforcement of the Indenture or for the execution of any trust under the Indenture or for any remedy under the Indenture unless:

(i) An Event of Default has occurred (other than a default in the payment of principal or interest on the Bonds) as to which the Trustee has actual notice, or as to which the Trustee has been notified in writing; and

(ii) The owners of at least a majority of the aggregate Outstanding principal amount of Bonds Outstanding shall have made written request to the Trustee to proceed to exercise the powers granted in the Indenture or to institute an action, suit or proceeding in its own name; and these Bondholders shall have offered the Trustee such indemnity as may be satisfactory to the Trustee, and the Trustee shall have failed or refused to exercise the powers granted in the Indenture or to institute an action, suit or proceeding in its own name for a period of 60 days after receipt of the request and offer of indemnity.

(b) No one or more owners of Bonds shall have any right in any manner whatsoever to disturb or prejudice the security of the Indenture or to enforce any right under the Indenture except in the manner provided in the Indenture and then only for the equal benefit of the owners of all Outstanding Bonds.

Waiver and Non-Waiver of Event of Default. (a) No delay or omission of the Trustee or of any owner of Bonds to exercise any right or power accruing upon any Event of Default shall impair the right or power or shall be construed to be a waiver of an Event of Default or an acquiescence therein. Every power and remedy given to the Trustee and to the owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may waive any Event of Default which in its opinion shall have been remedied before the entry of final judgment or decree in any suit, action or proceeding instituted by it under the provisions of the Indenture or before the completion of the enforcement of any other remedy under the Indenture.

(c) Notwithstanding anything contained in the Indenture to the contrary, the Trustee, upon written request of the owners of at least a majority of the aggregate principal amount of the Bonds then Outstanding shall waive any Event of Default and its consequences; provided, however, that a default in the payment of the principal of, premium, if any, and interest on any Bond, when due and payable or upon call for redemption, may not be waived after the date the same becomes due and payable without the written consent of the owners of all the Bonds at the time outstanding.

(d) In case of a waiver by the Trustee of any Event of Default, the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture but no waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon. The Trustee shall not be responsible to anyone for waiving or refraining from waiving any Event of Default in accordance with these waiver provisions.

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Notice of Defaults. (a) Within 30 days after the receipt of notice of an Event of Default or the occurrence of an Event of Default of which the Trustee is deemed to have notice, the Trustee shall (unless the Event of Default has already been cured) give written notice of the Event of Default to the owners of all Bonds then Outstanding in the manner provided in the Indenture, provided that, except in the case of a default in the payment of principal, redemption premium or interest on any of the Bonds, the Trustee may withhold the notice to the Bondholders if, in its sole judgment, it determines that the withholding of notice is not detrimental to the best interest of the Bondholders.

(b) The Trustee shall immediately notify, in writing, the Bank and the County of any Event of Default known to the Trustee.

(c) The Trustee shall provide the Bond Insurer immediate notice if at any time there are insufficient monies to make any payment of principal of, premium, if any, or interest on the Bonds as required by the Indenture and shall provide the Bond Insurer notice of (i) any other Event of Default or (ii) any payment default under any related security agreement immediately upon its receipt of notice thereof.

Opportunity of the County to Cure Certain Defaults. The Bank and the Trustee grant the County in the Indenture full authority on the account of the Bank to perform any covenant or obligation and to otherwise fulfill any condition the failure or non-performance of which is or is alleged to be a default under the Indenture, and the Trustee agrees that performance by the County shall be deemed to be performance by the Bank.

Supplemental Indentures Not Requiring Consent of Bondholders. The Bank and the Trustee may, with the consent of the Bond Insurer and the Standby Purchaser, but without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to the Indenture as shall not be inconsistent with the terms and provisions of the Indenture and in the opinion of the Trustee shall not materially and adversely affect the interest of the Bondholders for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or provide omitted language in the Indenture;

(b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may be lawfully granted to or conferred upon the Bondholders or the Trustee or either of them;

(c) To subject to the lien and pledge of the Indenture additional revenues, properties or collateral;

(d) To provide for the issuance of Additional Bonds in conformity with the provisions of the Indenture and to fix all details with respect thereto or to provide further conditions, limitations or restrictions on the issuance of Additional Bonds;

(e) To modify, amend or supplement the Indenture or any indenture supplemental to the Indenture in such manner as to permit the qualification of the Indenture or supplement thereof under any federal statute hereafter in effect or under any state Blue Sky Law, and, in connection therewith, if they so determine, to add to the Indenture or any indenture supplemental to the Indenture such other terms, conditions and provisions as may be permitted or required by any said federal statute or Blue Sky Law, provided, that any such supplemental indenture referred to in the Indenture shall not, in the judgment of the Trustee, which may rely on an opinion of counsel, be to the prejudice of the owners of the Bonds; or

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(l) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the Bondholders.

Supplemental Indentures Requiring Consent of Bondholders. Anything contained in the Indenture to the contrary notwithstanding, except for indentures supplemental thereto authorized by the preceding section and subject to the terms and provisions contained below and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right from time to time, with the consent of the Bond Insurer and the Standby Purchaser, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental thereto as shall be deemed necessary and desirable by the Bank for the purpose of modifying, altering, amending, adding to or rescinding, in any particular instance, any of the terms or provisions contained in the Indenture or in any indenture supplemental thereto; provided, however, that nothing contained in this section shall permit or be construed as permitting, without the consent of the Bond Insurer and the owners of all the Bonds then Outstanding (a) an extension of the stated maturity or scheduled sinking fund redemption or reduction in the principal amount or premium of, or reduction in the rate or extension of the time of payment of interest on, any Bonds, or (b) the creation of any lien on the Trust Estate or any part thereof pledged under the Indenture prior to or on a parity with the lien of the Indenture, or (c) a reduction in the aforesaid aggregate outstanding principal amount of Bonds the owners of which are required to consent to any such indenture supplemental thereto. No such amendment shall modify the rights, duties or immunities of the Trustee without the written consent of the Trustee.

If at any time the Bank shall request the Trustee to enter into any such supplemental indenture for any of these purposes, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the manner provided in the Indenture. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within 90 days or such longer period as shall be prescribed by the Bank following the giving of such notice, the owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as provided in the Indenture, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as permitted and provided by the Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

So long as no event of nonperformance under the Loan Agreement has occurred and is continuing, no such supplement shall become effective unless the County shall have given its prior written approval.

Filing. Copies of any supplemental indenture shall be filed with the Trustee and delivered to the Bank and the County.

Reliance on Counsel. The Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of counsel satisfactory to the Trustee, who may be counsel for the Bank, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of the Indenture prior to joining in the execution of such supplemental indenture.

Supplement Binding. Upon the execution of any supplemental indenture pursuant to these provisions of the Indenture shall be deemed to be supplemented, modified and amended in accordance

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therewith, and the respective rights, duties and obligations under the Indenture of the Trustee, the Bank, the County and the owners of Bonds then Outstanding shall thereafter be determined, exercised and enforced thereunder, subject in all respects to such modification and amendment.

Amendments to Loan Agreement. The Bank and the County, with the approval of the Trustee in certain events, may consent to amendments to the Loan Agreement for the purposes and in the manner provided in the Loan Agreement and the Trustee agrees that it shall take the actions required of it as provided under the Loan Agreement.

Payment. When all of the Bonds shall have been paid and discharged, and there shall have been paid all fees and charges of the Trustee due or to become due through the date on which the last of the Bonds is retired, then the Indenture shall cease, terminate and become null and void, and thereupon the Trustee shall release the Indenture including the cancellation and discharge of the lien of the Indenture, and execute and deliver to the Bank such instruments in writing as shall be requisite to satisfy the lien of the Indenture and, if necessary, to enter on the records such satisfaction and discharge and to re-convey to the Bank any property or interest therein or other rights conveyed under the Indenture and such other instruments to evidence such release and discharge as may be reasonably required by the Bank, and the Trustee shall assign and deliver to the Bank any property at the time subject to the lien of the Indenture which may then be in its possession, except amounts in any Fund otherwise required to be paid by the Indenture and except such cash and investments as are held by the Trustee for the payment of interest and premium, if any, on and retirement of the Bonds.

Notwithstanding the foregoing, the obligation of the County to pay the fees and expenses of the Trustee in accordance with the terms of the Indenture shall survive the defeasance of the Bonds, the discharge of the Indenture and the termination of the Loan Agreement.

Notwithstanding anything in the Indenture to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Financial Guaranty Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Bank, and the assignment and pledge of the Trust Estate and all covenants, agreements and other obligations of the Bank to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners.

Provision for Payment. Any Bonds shall be deemed to have been paid and discharged within the meaning of the Indenture, if the Trustee, or an escrow trustee, shall hold, in trust for and irrevocably committed thereto, moneys or Defeasance Obligations of such maturities and interest payment dates and bearing such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient for the payment of such Bonds, at their maturity or redemption date, of the principal thereof, together with the redemption premium, if any, and interest accrued to the date of maturity or redemption, as the case may be, or if default in such payment shall have occurred on such date then to the date of the tender of such payment; provided, that if the Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been duly made for the giving of such notice; provided further that the rating on any Bonds be confirmed by S&P prior to any defeasance in any Interest Rate Mode except Bonds bearing interest at a Term Rate to final maturity. Any moneys held in accordance with the provisions of this paragraph shall be invested only in Defeasance Obligations the maturities or redemption dates and interest payment dates of which, at the option of the owner, shall coincide as nearly as practicable with, but not later than, the time or times at which said moneys will be required for the aforesaid purposes. Any income or interest earned by the Defeasance Obligations held pursuant to these provisions shall, as

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determined by the Trustee or the escrow trustee, to the extent not required for the purposes of this paragraph, be paid to the County as overpayment of Note Payments. No forward supply contract may be entered into in connection with a defeasance without the prior written consent of the Bond Insurer.

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APPENDIX B
INFORMATION ON THE COUNTY

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ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description

The County, named for William Henry Harrison, the ninth President of the United States, is located in the gulf coastal terrace soil area of the State of Mississippi (the "State"), with a land area of 581 square miles. Fifty-five of the existing 82 counties in the State were in existence before the County was formally organized on February 5, 1841. The City of Biloxi and the City of Gulfport, both located in the County, rank only behind Jackson, the State capital, in size. The City of Biloxi was the first capital of the Louisiana Territory, predating both the City of Mobile, Alabama, and the City of New Orleans, Louisiana.

Located on the Mississippi Gulf Coast, the County is an urban County in which residents and tourists alike enjoy the world's longest man-made beach, 26 miles in length, as well as dockside casino gambling and many cultural activities. Situated in the Gulf of Mexico near the County's shore, the National Seashore Park, consisting of Ship Island, Horn Island and Petit Bois Island, provides numerous recreational activities. Among the County's many annual cultural events are the celebration of Mardi Gras, dating back to 1699, and the Blessing of the Fleet, a shrimp festival honoring the thriving seafood industry, the backbone of the coastal area's economy since the 1880's.

The County's history is reflected in its many well-known landmarks. Among these are the Biloxi lighthouse, which has guided fishing fleets home since 1848; Fort Massachusetts on nearby Ship Island, where troops were garrisoned during the Civil War; and Beauvoir, the final home of Confederate President Jefferson Davis.

Dockside Gaming

The 1990 Session of the Mississippi State Legislature authorized certain counties in the State, including Harrison County, to hold referendums on the question of legalizing dockside gaming in said counties. In January, 1992, Harrison County and Hancock County, Mississippi voters legalized dockside gaming, and the first casino opened in August, 1992. As of June 30, 2003, 12 casinos (eight (8) in Biloxi, three (3) in Gulfport and one (1) in Hancock County) were in operation and employing approximately 14,386 people. The Gulf Coast currently has 4,424,067 square feet of casino space with 664,558 square feet dedicated to gaming operations.

The County and the City expects that dockside gaming will continue to have a significant favorable impact on the local economy of Harrison County and the cities located therein, particularly the Cities of Biloxi and Gulfport. The assessed valuation of real and personal property has increased dramatically since 1992 and has continued to grow with the completion of major hotel development projects. The casinos are among the top employers and taxpayers in the City of Biloxi, the City of Gulfport and the County. As of June 30, 2003, over 7,074 hotel rooms were opened, with 400 more hotel rooms under construction, and gross revenues from January, 2003 through July, 2003 were in excess of \$700,000,000.

Tourism

The Mississippi Gulf Coast was cited in the top 100 places for tourism value (least expensive destination) by Corporate Travel Index Survey in 1999. Over 50,000 visitors enjoy the Mississippi Gulf coast each day making the area the fastest growing tourist destination in the south. The infrastructure includes an 11,500 seat coliseum with a 100,000 square foot convention center, 17,000 hotel rooms, 12 Las Vegas style casinos, top name entertainment, historic points of interest, white sand beaches, deep-sea fishing, gracious antebellum homes, shopping from specialty boutiques to factory stores, family

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attractions, more than 20 challenging golf courses and fabulous Gulf cuisine with Creole accent. Tourism is now a \$3 billion dollar industry with over 20 million visitors annually. Harrison County has become a permanent competitor for the New Orleans tourism market and is a major competitor for conventions.

Mississippi Coast Coliseum and Convention Center

The Mississippi Coast Coliseum (the "Coliseum"), including the Convention Center (the "Convention Center") is the southeast's largest beachfront complex located on the Gulf of Mexico near many major hotels and tourist attractions. The facility was completed in 1977 at a total cost of approximately \$26 million. This ultra-modern facility with parking capacity for up to 4,000 cars was designed to accommodate sporting events, entertainment, conventions and other associated attractions. The Convention Center, with 12,500 square feet of pre-function usable floor space and 112,000 square feet for 32 individual meeting rooms or one large meeting hall, has the capacity for 650 exhibit booths as well as banquet service for approximately 7,500 persons. The Coliseum, directly adjacent to the Convention Center, has 24,780 square feet and can accommodate up to 15,000 persons, depending upon the type of seating arrangement.

Population

The population of the County has been recorded as follows:

1970	1980	1990	2000 ¹
134,582	157,665	165,365	189,601

SOURCE: Mississippi Research and Development Center, October, 2003.

Government

The County is divided into two judicial districts, with courthouses located in the City of Gulfport (first judicial district) and the City of Biloxi (second judicial district). The governing body of the County is the Board of Supervisors, which consists of five members, each elected from a separate district or "beat" for concurrent four-year terms. The current members of the Board of Supervisors are as follows:

Name	Occupation	Position Held Since
Robert N. "Bobby" Eleuterius	Full-time Supervisor	1984
Larry Benefield	Full-time Supervisor	1992
Marlin Ladner	Full-time Supervisor	2000
William Martin	Full-time Supervisor	1999
Connie Rockco	Full-time Supervisor	2000

¹ Census 2000 Redistricting Data provided by the Center for Population Studies, University of Mississippi.

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Transportation

The County is bordered on the south by the Gulf of Mexico. Mississippi's most heavily traveled highway, U.S. Highway 90, parallels the beach, while U. S. Highway 49, running north from the City of Gulfport, bisects the County. Interstate Highway 110 connects U. S. Highway 90 with Interstate Highway 10, which intersects with U. S. Highway 49 and has replaced U. S. Highway 90 as a major east-west artery. Additional state and county highways, together with local roads, provide access to outlying areas in the County as well as to all coastal areas.

Two major railroad lines serve the County. The CSX Corporation runs east to west, while the MidSouth Rail Corporation runs north to south. MidSouth Rail Corporation connects with the Illinois Central Railroad and the Southern Railroad in the City of Hattiesburg, Mississippi.

The Port of Gulfport (the "Port"), located 12 miles from Ship Island and the open waters of the Gulf of Mexico, is North America's second largest handler of tropical fruit, the largest poultry exporter to Russia, and offers containerized refrigeration. The Port's leading trade partners include Russia, Honduras, Guatemala, Australia, Mexico, India, Brazil, Costa Rica, El Salvador, Nicaragua, South Africa, Peru, Argentina, and the Phillipines. A shipping channel, with a depth of 36 feet and 5,800 feet of commercial berthing space, is maintained by the United States Corps of Engineers. Currently, the Port is embarking on a \$250 million dollar, five year extensive expansion plan which will double the land area, allowing for two additional ship berths as well as a new Gulfport Container Terminal. The Port was acquired from the City of Gulfport by the State of Mississippi in 1961. It serves as a U.S. Customs port of entry, providing excellent bases for international trade. It is a deep water terminal on the Gulf Intercoastal Waterway which serves barge as well as steamship traffic. In excess of \$462.8 million in sales and \$63.7 million in tax revenues benefits is derived by Mississippi from the Port operations, including some \$98 million in personal incomes from more than 50,000 jobs created or retained annually.

The Harrison County Industrial Seaway (the "Seaway"), extending from the Bay of Biloxi, connects a 1,700 acre industrial park on Interstate 10 directly to inland waterways and blue water via a 12 by 150-foot channel. Completed in 1965, the Seaway provides shipping accessibility to the Gulf of Mexico from U. S. Highway 49 through the Biloxi Bay. The County is also served by the Port of Biloxi, which has a channel depth of 12 feet.

The Gulfport-Biloxi Regional Airport (the "Regional Airport"), located approximately three miles from the Gulfport's central business district, occupies approximately 1,400 acres within the County. With two runways, one having a length of 9,000 feet and a secondary runway having a length of 5,000 feet, the Regional Airport has the capability of serving all the largest commercial aircraft currently in use. Six scheduled airlines provide 50 daily departures, including AirTran Airways, ASA/Delta, Continental Express, Southeast Airlines, Northwest Airlines and Canada 3000 Airlines which provide service to hubs in Atlanta, Georgia, Dallas and Houston, Texas, Ft. Lauderdale and Tampa/St. Petersburg, Florida, Memphis, Tennessee and Toronto, Canada. Airline Vacations jet charter flights from the Regional Airport nonstop to 20 other cities on casino packages.

The Regional Airport has recently completed a \$20 million expansion, tripling the size of the facility, which included expansion of the terminal, air side infrastructure improvements, an international arrivals building, a charter service center and the construction of an office park adjacent to the Regional Airport property. Passenger numbers continue to rise at the Regional Airport. During 2000, there were 949,925 total scheduled and charter passengers. The Regional Airport is also geared to handle international trade activity, serving as a U.S. Customs port of entry and a foreign trade zone.

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Per Capita Income

Year	County	Mississippi	United States	County as % of U.S.
2001	\$25,074	\$21,653	\$30,413	82.4%
2000	24,157	20,900	29,469	81.9
1999	24,257	20,686	28,546	84.9
1998	22,838	19,776	27,203	83.9
1997	20,285	18,098	25,288	80.2

SOURCE: Mississippi Personal Income by Major Source, 1996-2001, Labor Market Information Department, Mississippi Employment Security Commission; October, 2003.

Major Employers

The following is a partial listing of major employers in the County, their products or services and their approximate number of employees:

Employer	Employees	Product/Service
Keesler Air Force Base	15,674	Armed services
Beau Rivage	2,711	Casino & resort
Naval Construction Battallion Center	4,392	Armed services
Grand Casino (Biloxi/Gulfport)	4,202	Casino
V. T. Halter Marine	3,543	Marine
Memorial Hospital	2,200	Healthcare
Harrison County School District	1,675	Education
U.S. Veterans Hospitals	1,500	Health services
Hancock Bank	1,138	Bank
Casino Magic	939	Casino
Treasure Bay Casino	863	Casino
Isle of Capri	848	Casino
President Casino	804	Casino

SOURCE: Harrison County Development Commission; October, 2003.

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Unemployment Statistics

	2003	2002	2001	2000	1999
January	5.4%	5.2%	3.4%	3.7%	3.8%
February	4.6	4.8	3.4	3.8	3.8
March	4.5	5.2	3.6	4.5	3.7
April	4.3	4.9	3.1	3.8	2.8
May	4.4	5.3	3.6	4.5	3.6
June	5.4	5.2	3.6	5.0	3.6
July	5.0	4.8	3.4	4.1	3.5
August	4.2	4.5	3.2	3.6	3.7
September		4.7	3.3	3.7	3.5
October		5.8	3.6	3.1	3.6
November		4.8	3.9	3.5	2.8
December		4.7	4.4	3.2	2.9
Annual Average		4.9%	3.5%	3.7%	3.4%

SOURCE: Labor Market Data for each month shown, Labor Market Information Department, Mississippi Employment Security Commission; October, 2003.

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Employment Statistics of the County

	2001	2000	1999	1998	1997
RESIDENCE BASED EMPLOYMENT					
I. Civilian Labor Force	85,750	88,200	85,390	83,360	80,220
II. Unemployed	3,250	3,710	2,930	3,250	3,720
% of Civilian Labor Force	3.8%	4.2%	3.4%	3.9%	4.6%
III. Employed	82,500	84,490	82,460	80,110	76,500
A. Nonagricultural Wage & Salaried Workers	78,210	79,590	77,110	74,490	70,750
B. Other Nonagricultural Workers	3,790	4,410	4,860	5,090	5,210
C. Agricultural Workers	490	490	500	540	530
ESTABLISHMENT BASED EMPLOYMENT					
I. Manufacturing	5,290	5,500	5,520	5,490	5,450
II. Nonmanufacturing	89,110	91,010	87,430	82,540	78,110
A. Mining	20	10	10	20	20
B. Construction	4,840	5,090	5,060	5,080	4,440
C. Transportation & Public Utilities	5,400	5,450	4,970	5,150	4,740
D. Wholesale & Retail Trade	22,240	22,360	21,800	21,390	18,240
E. Finance, Insurance & Real Estate	3,470	3,600	3,680	3,490	3,210
F. Service & Miscellaneous	34,880	35,860	34,340	30,100	30,080
G. Government	18,270	18,640	17,570	17,310	17,380
Public Education	4,730	4,750	4,560	4,150	4,470

SOURCE: Annual Averages, 1992-2001, April, 2002 ed., Mississippi Employment Security Commission; October, 2003.

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Retail Sales

State Fiscal Year Ended June 30	Amount
2002	\$3,122,943,054
2001	3,163,793,676
2000	3,254,918,284
1999	3,154,592,532
1998	2,601,245,879

SOURCE: Annual Report for each year shown, Mississippi State Tax Commission; October, 2003.

Educational Facilities

The Harrison County School District (the "District") is comprised of all areas of the County not included in the four municipal school districts operating within the County. The District currently employs 1,675 personnel. The Biloxi Public School District operates eleven (11) schools; the Gulfport Public School District operates fourteen (14) schools; the Long Beach Public School District operates six (6) schools; and the Pass Christian Public School District operates four (4) schools. The District currently operates one (1) child development center, twelve (12) elementary schools, two (2) middle schools, two (2) high schools, one (1) vocational center, and one (1) alternative school.

Enrollment figures for the District for the 2003-2004 scholastic year and the four preceding years are as follows:

Scholastic Year	Enrollment
2003-04	13,000
2002-03	12,984
2001-02	12,900
2000-01	12,786
1999-00	12,630

SOURCE: Harrison County School District; October, 2003.

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TAX INFORMATION

Assessed Valuation of the County²

Assessment Year	Real Property	Personal Property	Public Utility Property	Total
2003	\$1,005,606,322	\$438,622,297	\$153,777,873 ³	\$1,598,006,492
2002	1,009,217,784	436,396,475	155,645,937	1,601,260,198
2001	988,191,624	422,469,017	155,732,139	1,566,392,780
2000	964,957,325	413,244,731	150,559,060	1,528,761,116
1999	583,819,998	349,109,254	147,222,495	1,080,151,747

SOURCE: Harrison County Chancery Clerk; October, 2003.

Assessed valuations are based upon the following assessment ratios:

- (a) Real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value;
- (b) Single-family owner-occupied residential real property, 10 percent of true value;
- (c) Motor vehicles and public utility property, 30 percent of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 (the "Resolution"), pursuant to which there was proposed an amendment to the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, *inter alia*, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied residential real property under the Amendment is set at 10 percent of true value as opposed to 15 percent of true value under previously existing law.

The assessed valuation figures above do include property exempt from all County ad valorem tax for a period of up to ten years, primarily for new or expanded manufacturing facilities. Set forth below is a schedule of the assessed valuation of such exempt property which will become subject to County ad valorem tax in the next ten years:

² The total assessed valuation is approved in September preceding the fiscal year of the County and represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2003 are collected starting in January, 2004 for the 2003-2004 fiscal year budget of the County.

³ Public Utility Property does not include assessed value of two companies which have appealed their assessment.

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Messer Griesheim	\$32,154,150	12/31/04
DuPont	19,843,310	12/31/04
Halter Marine	5,495,300	12/31/05
Triton Systems Inc.	5,150,229	12/31/04
Oreck Manufacturing Co.	3,503,856	12/31/04
Full House Ventures - F.E.B.	3,328,152	12/31/05
Ash Corporation	3,244,671	12/31/05
Abby Knight	2,490,529	12/31/05
Gulf Coast Pre-stress Partners Ltd.	2,075,014	12/31/10
Turbaya/State Port	2,027,034	12/31/08
Oreck Manufacturing Co.	1,943,180	12/31/08
Plant Maintenance Service Corp.	1,526,862	12/31/05
Metal Tech/Entecan	978,689	12/31/05
Plant Maintenance Service Corp.	793,350	12/31/05
Triton Systems Inc.	776,104	12/31/06
Fansteel Inc.	652,829	12/31/07
Abby Knight	497,528	12/31/06
John Robinson/Precision MFG	451,455	12/31/03
Gulf Coast Industries/Franstec	430,404	12/31/06
Triton Systems Inc.	328,158	12/31/05
Collins Filter	326,596	12/31/03
Gulf Coast Pre-stress Partners Ltd.	307,179	12/31/05
Plant Maintenance Service Corp.	270,000	12/31/05
Abby Knight	205,261	12/31/03
Ash Corporation	187,500	12/31/05
Duratex/State Port	108,999	12/31/05
Total	\$89,096,339	

SOURCE: Harrison County Tax Assessor; October, 2003.

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Procedure for Property Assessments

Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the County Tax Assessor. All taxable real property situated in the County is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the County Tax Assessor and are delivered to the Board of Supervisors of the County on the first Monday in July. Thereafter, the assessments are equalized by the Board of Supervisors and notice is given to the taxpayers that the Board of Supervisors will meet to hear objections to the assessments. After objections are heard, the Board of Supervisors adjusts the rolls and submits them to the State Tax Commission, which examines them on receipt. The State Tax Commission may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Board of Supervisors to be corrected in accordance with the recommendations of the State Tax Commission. If the Board of Supervisors has any objections to the order of the State Tax Commission, it may arrange a hearing before the Commission. Otherwise, the assessment roll is finalized and submitted to the County Tax Collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the State Tax Commission. With minor exceptions the property of public utilities is assessed each year by the State Tax Commission.

Tax Levy Per \$1,000 Valuation⁴

	Years in Which Taxes Levied				
	2003-04	2002-03	2001-02	2000-01	1999-00
GENERAL PURPOSES					
General County Fund	22.76	20.85	20.85	20.41	24.24
State Port at Gulfport	.66	.67	.69	.70	.75
Biloxi Port Commission	.67	.67	.69	.70	1.00
MS Gulf Coast Comm. College Maint.	2.12	2.12	2.12	2.12	2.60
MS Gulf Coast Comm. College Capital Fund	1.80	1.80	1.80	1.80	2.20
Road Fund	2.55	3.16	2.45	2.70	3.75
Bridge & Culvert Fund	1.30	1.16	.99	.99	1.65
Harrison County Development Commission	0.00	.66	.66	.87	.40
Child Development Center Fund	1.11	1.11	1.11	1.11	1.47
Special Reappraisal Fund	.20	.20	.40	.40	1.00
Escrow Reappraisal Fund	.34	.50	.69	1.00	1.00
Garbage Fund (outside)	5.25	5.25	5.25	5.65	6.37
Harrison Co. Sch. Dist. Minimum Education	0.00	0.00	1.33	1.82	2.18

⁴ Taxes levy figures are given in mills.

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	Years in Which Taxes Levied				
	2003-04	2002-03	2001-02	2000-01	1999-00
Harrison Co. Sch. Dist. Educ. & Maint.	38.71	37.96	30.58	29.96	35.35
Regional Airport Authority	.27	.28	.30	.29	.22
General County B& I Sinking Fund	2.19	2.80	3.25	3.40	3.36
Regional Airport B& I Sinking Fund	0.00	.20	.20	.25	0.00
D'Iberville Water & Sewer District	1.85	1.85	1.85	2.08	4.00
Pass Christian/Henderson Point Water/Sewer Dist.	2.64	2.64	1.85	2.64	4.00
Harrison County Wastewater	3.50	3.50	3.50	3.81	4.60
Harrison County Fire District	2.25	2.25	2.25	2.25	2.50
Harrison Co. Sch. Dist. Bond Sinking Fund	0.00	0.00	.19	.30	.75
Harrison Co. Sch. Dist. Debt	6.22	6.41	6.67	6.08	9.10
TOTAL LEVY	96.39	96.04	89.67	91.33	112.49

SOURCE: Harrison County Chancery Clerk; October, 2003.

Ad Valorem Tax Collections

Fiscal Year Ended September 30	Amount Budgeted	Amount Collected	Difference Over/(Under)
2003	\$48,828,400	\$49,154,213	\$325,813
2002	48,794,511	48,964,931	170,420
2001	47,764,918	49,838,696	2,073,778
2000	40,896,499	41,105,310	208,811
1999	39,221,666	40,861,445	1,639,779

SOURCE: Harrison County Chancery Clerk; October, 2003.

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Procedure for Tax Collections

The Board of Supervisors is required to levy annually a special tax upon all taxable property within the County sufficient to provide for the payment of the principal of and the interest on its general obligation indebtedness. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of 1% per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, provides that upon failure of the taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal property liable for unpaid taxes at the courthouse door of the county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in the county, one of which must be the courthouse, is required. Municipal tax collectors are required to follow any special ordinance adopted by a municipality on personal property sales. Interest, fees, costs and expenses of sale are recoverable in addition to the taxes delinquent. If sufficient personal property cannot be found, the tax collector may make a list of debts due the taxpayer by other persons and sell such debts and is further directed to distrain and sell sufficient other properties of the taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, as amended, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in the county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The sale is held at the door of the courthouse of the county or any place within the courthouse that the tax collector deems suitable to hold such sale, provided that the place of such sale shall be designated by the tax collector in the advertisement of the notice of tax sale on the last Monday of August following. The owner, or any person with an interest in the land sold for taxes, may redeem the land at any time within two years after the day of sale by paying all taxes, costs, interest and damages due to the Chancery Clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth day of February in each year with the sale of such lands to be held on the first Monday of April following. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon lands or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

Reappraisal of Property and Limitation on Ad Valorem Levies

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972 (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes do not increase dramatically as the counties complete reappraisals, the Reappraisal Act provides for the limit on increase in tax revenues discussed below.

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The statute limits ad valorem tax levies by the County subsequent to October 1, 1980, to a rate which will result in an increase in total receipts of not greater than ten percent (10%) over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the County or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in State Tax Commission v. Fondren, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the State Tax Commission was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the State Tax Commission equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the Chancellor's decree, on November 15, 1980, the State Tax Commission filed a master plan to assist counties in determining true value. On February 7, 1983, the Chancery Court granted an extension until July 1, 1984, of its previous deadline past which the State Tax Commission could not accept and approve tax rolls from counties which had not yet reappraised. The County has completed reappraisal.

Homestead Exemption

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption. The exemption is not applicable to taxes levied for the payment of the Bonds, except as hereinafter noted.

Those homeowners who qualify for the homestead exemption and who have reached the age of sixty-five (65) years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those qualified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$6,000 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Tax Commission. Beginning with the 1984 supplemental ad valorem tax roll and for each roll thereafter, no taxing unit shall be reimbursed an amount in excess of one hundred six percent (106%) of the total net reimbursement made to such taxing unit in the next preceding year.

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Ten Largest Taxpayers

The ten largest taxpayers in the County for assessment year 2002, collected in fiscal year ending 2003, are as follows:

Taxpayer	Assessed Valuation	Taxes Collected
Mississippi Power Co.	\$110,777,143	\$4,022,663.86
Beau Rivage Resorts Inc.	66,736,100	2,382,674.24
BellSouth Telecommunications	29,275,947	1,067,893.01
E I Dupont De NeMours & Co Inc.	28,354,122	1,010,746.36
Grand Casino Biloxi	15,361,441	548,403.44
Grand Casino Gulfport	12,755,076	455,356.21
Grand Casinos of MS - Lescage	12,070,378	430,912.49
Grand Casinos of MS Inc. - Biloxi	11,913,389	425,307.98
Mastar Inc.	11,287,544	402,965.33
Grand Casinos of MS Inc. - Gulfport	9,745,280	347,906.50
Total	\$308,276,420	\$11,094,829.42

SOURCE: Harrison County Tax Collector; October, 2003.

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DEBT INFORMATION

Legal Debt Limit Statement

(as of October, 2003)

Authorized Debt Limit (Last Completed Assessment for Taxation - \$1,598,006,492)	\$239,700,973	\$319,601,298
Present Debts Subject to Debt Limits	67,005,000	67,005,000
Margin for Further Debt Under Debt Limits	\$172,695,973	\$252,596,298

Statutory Debt Limits

The County is subject to a general statutory debt limitation under which no county in the State may incur general obligation bonded indebtedness in an amount which will exceed fifteen percent (15%) of the assessed value of all taxable property within such county according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of this fifteen percent (15%) limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospital, port or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

However, in no case shall any county contract any indebtedness payable in whole or in part from proceeds of ad valorem taxes when added to all of the outstanding general obligation indebtedness, both bonded and floating, which shall exceed twenty percent (20%) of the assessed value of all taxable property within such county, but bonds issued for school purposes and bonds issued under Sections 57-1-1 through 57-1-51 are specifically excluded from both the fifteen percent (15%) limitation and the twenty percent (20%) limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the twenty percent (20%) limitation. Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

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Outstanding General Obligation Bonded Debt

(as of October, 2003)

	Date Issued	Amount
General Obligation Road & Bridge Bonds	04/01/91	\$ 285,000
General Obligation Public Improvement Bonds ⁶	11/01/91	3,840,000
General Obligation Bonds, Series A	07/01/94	305,000
General Obligation Bonds, Series B	07/01/94	150,000
General Obligation Public Improvement Bonds, Series A ⁷	04/01/96	5,340,000
General Obligation Public Improvement Bonds, Series B ⁸	04/01/96	840,000
General Obligation Bonds	08/01/96	4,740,000
General Obligation Bonds	05/01/98	5,000,000
General Obligation Refunding Bonds	10/01/98	12,720,000
General Obligation Bond ⁸	06/19/00	9,390,000
General Obligation Jail Bond ⁹	10/01/00	3,285,000
General Obligation USM Project Bonds	01/01/01	1,815,000
General Obligation Refunding Bond ¹⁰	03/26/03	12,525,000
General Obligation Coliseum/Convention Center Refunding Bond ¹¹	04/15/03	6,770,000
Total		\$67,005,000

⁵ Does not include bonds issued by the County for Harrison County School District (See footnote 21).

⁶ These bonds were issued under Senate Bill 3330, Regular Session, 1994 Mississippi Legislature and Section 19-9-1 et seq., Mississippi Code of 1972, as amended and are repayable with revenue accruing to the County by virtue of Sections 65-33-45 and 65-33-47.

⁷ These bonds are general obligations of the County 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 the taxable property within the geographical limits of the County, provided, however, that such tax levy for any year shall be abated pro tanto to the extent the County on or prior to September 1 of that year has transferred money to the bond fund of these bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on these bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the bond resolution of these bonds. The County, when necessary, will levy annually a special tax upon all taxable property within the geographical limits of the County adequate and sufficient to provide for the payment of the principal of and the interest on these bonds as the same falls due.

⁸ This general obligation bond was issued by the County and purchased by the Mississippi Development Bank from the proceeds of its \$10,000,000 Special Obligation Bonds, Series 2000 (Harrison County, Mississippi General Obligation Bond Project), dated June 22, 2000.

⁹ This general obligation bond was issued by the County and purchased by the Mississippi Development Bank from the proceeds of its \$3,500,000 Special Obligation Bonds, Series 2000 (Harrison County, Mississippi General Obligation Jail Bond Project), dated October 25, 2000.

¹⁰ This general obligation bond was issued by the County and purchased by the Mississippi Development Bank from the proceeds of its \$12,525,000 Special Obligation Bonds, Series 2003 (MSBond Program - Harrison County, Mississippi General Obligation Refunding Bond Project), dated March 26, 2003.

¹¹ This general obligation bond was issued by the County and purchased by the Mississippi Development Bank from the proceeds of its \$6,770,000 Special Obligation Bonds, Series 2003 (MSBond Program - Harrison County, Mississippi General Obligation Coliseum/Convention Center Refunding Bond Project), dated April 15, 2003 and is repaid with the proceeds of a tourism tax levied on hotel/motel rooms.

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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Other Outstanding General Obligation Bonded Debt¹²

(as of October, 2003)

Issue	Date Issued	Amount
General Obligation Ind. Development Bonds ¹³	11/01/94	\$535,000
General Obligation Ind. Development Bonds ¹⁴	11/09/94	40,000
Total		\$575,000

¹² All bond issues shown in this chart are outstanding general obligation debt issued pursuant to Section 59-9-37, Mississippi Code of 1972, as amended, and subject only to the separate twenty percent (20%) debt limitation thereunder.

¹³ Same as footnote 8.

¹⁴ Same as footnote 8; the Harrison County Development Commission pays the debt service on these bonds pursuant to a -0-% loan received from Coast Electric Power Association.

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

Other Outstanding Debt

(as of October, 2003)

Issue	Date of Issue	Outstanding Principal
D'Iberville, Mississippi Tax Increment Limited Obligation Bonds, Series 1999 ¹⁵	04/01/99	\$ 1,095,000
Biloxi, Mississippi Tax Increment Limited Obligation Bonds ¹⁶	10/01/99	10,480,000
Promissory Note (Harrison County, Mississippi Public Improvements Project)	01/03/01	7,500,000
Promissory Note (Capital Projects and Equipment Acquisition Program) ¹⁷	12/18/00	9,159,701
Promissory Note (Harrison County, Mississippi Correctional Facilities Authority Revenue Bonds Refunding Project)	04/30/02	7,970,000
Biloxi, Mississippi Tax Increment Limited Obligation Bonds ¹⁶	11/01/02	23,000,000
Total		\$59,204,701

¹⁵ Debt incurred by the City of D'Iberville of \$1,135,000; Harrison County is responsible for the full amount from revenue derived from increase in assessment of certain parcels of land.

¹⁶ Debt incurred by the City of Biloxi of \$35,000,000; Harrison County is responsible for half of the total debt requirement up to a maximum debt payment of \$1,200,000 annually.

¹⁷ The full amount available under the Promissory Note is \$15,000,000, however, the County has only drawn down \$4,122,499.19 to date.

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Annual Debt Service Requirements

General Obligation Bonds			
Fiscal Year Ending September 30	Existing Debt		Estimated Total Debt Service
	Principal	Interest	
2003	\$ 3,440,000.00	\$ 3,127,629.50	\$ 6,567,629.50
2004	3,640,000.00	2,929,965.38	6,569,965.38
2005	3,820,000.00	2,761,966.75	6,581,966.75
2006	4,040,000.00	2,552,850.79	6,592,850.79
2007	4,165,000.00	2,337,140.04	6,502,140.04
2008	4,390,000.00	2,087,549.59	6,477,549.59
2009	4,650,000.00	1,885,608.77	6,535,608.77
2010	4,890,000.00	1,639,633.73	6,529,633.73
2011	3,895,000.00	1,374,440.01	5,269,440.01
2012	4,125,000.00	1,156,481.26	5,281,481.26
2013	3,780,000.00	945,681.26	4,725,681.26
2014	3,240,000.00	742,336.26	3,982,336.26
2015	2,545,000.00	557,311.26	3,102,311.26
2016	2,700,000.00	422,125.00	3,122,125.00
2017	1,380,000.00	272,130.00	1,652,130.00
2018	1,455,000.00	202,990.00	1,657,990.00
2019	1,060,000.00	130,100.00	1,190,100.00
2020	1,120,000.00	75,020.00	1,195,020.00
2021	290,000.00	8,410.00	298,410.00
Total	\$58,625,000.00	\$25,209,369.60	\$83,834,369.60

¹⁸ Includes the \$10,000,000 General Obligation Bond, Series 2000 of the County purchased by the Mississippi Development Bank from the proceeds of its \$10,000,000 Special Obligation Bonds, Series 2000 (Harrison County, Mississippi General Obligation Bond Project) which were sold as variable rate bonds. The debt service for purposes of this chart was calculated assuming a variable rate of 5% per annum.

Also includes the \$3,500,000 General Obligation Jail Bond, Series 2000 of the County purchased by the Mississippi Development Bank from the proceeds of its \$3,500,000 Special Obligation Bonds, Series 2000 (Harrison County, Mississippi General Obligation Jail Bond Project) which were sold as variable rate bonds. The debt service for purposes of this chart was calculated assuming a variable rate of 5.8% per annum.

Also includes the \$6,770,000 General Obligation Coliseum/Convention Center Refunding Bond, Series 2003 of the County purchased by the Mississippi Development Bank from the proceeds of its \$6,770,000 Special Obligation Bonds, Series 2003 (Harrison County, Mississippi General Obligation Coliseum/Convention Center Refunding Bond Project) which were sold as variable rate bonds. The debt service for purposes of this chart was calculated assuming a variable rate of 5.0% per annum.

General Obligation Bonded Debt¹⁹

	2002	2003	2004	2005	2006	2007
Road & Bridge Bonds (04/01/86)	\$ -0-	\$ -0-	\$ -0-	\$ 80,000	\$ 155,000	\$ 225,000
Building & Equipment Bonds (08/01/86)	-0-	-0-	-0-	230,000	445,000	645,000
Building Bonds (11/01/86)	-0-	-0-	240,000	460,000	670,000	865,000
Harbor and Seaport Bonds (12/01/86)*	-0-	-0-	200,000	385,000	560,000	725,000
Jail Bonds (12/15/86)	-0-	-0-	80,000	155,000	225,000	290,000
Harbor and Seaport Bonds (02/15/87)*	-0-	-0-	220,000	430,000	620,000	800,000
Building Bonds (09/01/88)	-0-	85,000	165,000	240,000	305,000	365,000
Public Improvement Bonds (01/01/91)	-0-	-0-	-0-	80,000	155,000	225,000
Road & Bridge Bonds (04/01/91)	285,000	370,000	450,000	525,000	595,000	660,000
Public Improvement Bonds (11/01/91)	3,840,000	4,140,000	4,420,000	4,680,000	4,920,000	5,160,000
General Obligation Bonds (06/01/93)	-0-	390,000	760,000	1,105,000	1,435,000	2,215,000
General Obligation Bonds Series A (07/01/94)	365,000	590,000	860,000	1,120,000	1,360,000	1,905,000
General Obligation Bonds Series B (07/01/94)	150,000	285,000	430,000	560,000	680,000	2,880,000
Industrial Development Bonds (11/01/94)*	535,000	590,000	640,000	685,000	730,000	770,000
Industrial Development Bonds (11/09/94)*	40,000	85,000	130,000	175,000	220,000	265,000
Coliseum/Convention Ctr. Bonds (07/01/95)	-0-	6,310,000	6,925,000	7,510,000	8,065,000	8,590,000
Public Improvement Bonds, Series A (04/01/96)	5,340,000	5,615,000	5,890,000	6,100,000	6,295,000	6,475,000
Public Improvement Bonds Series B (04/01/96)	840,000	855,000	930,000	970,000	1,005,000	1,040,000
General Obligations Bonds (08/01/96)	4,740,000	4,980,000	5,220,000	5,450,000	5,630,000	5,820,000
General Obligation Bonds (05/01/98)	5,000,000	5,220,000	5,450,000	5,620,000	5,820,000	6,000,000
General Obligation Refunding Bonds (10/1/98)	12,720,000	12,825,000	12,925,000	13,020,000	13,020,000	-0-
General Obligation Bonds (06/19/00)	9,490,000	9,705,000	10,000,000	10,000,000	-0-	-0-
General Obligation Jail Bond (10/01/00)	3,285,000	3,500,000	3,500,000	-0-	-0-	-0-
General Obligation USM Project Bonds (01/01/01)	1,815,000	1,910,000	2,000,000	-0-	-0-	-0-
General Obligation Refunding Bond (03/26/03)	12,525,000	-0-	-0-	-0-	-0-	-0-
General Obligation Coliseum/Convention Center Refunding Bond (04/13/03)	6,770,000	-0-	-0-	-0-	-0-	-0-
Total	\$67,580,000	\$57,495,000	\$61,415,000	\$39,570,000	\$52,910,000	\$54,990,000

¹⁹ Includes general obligation indebtedness of the County subject to the 15% and 20% general statutory debt limitations of the County, as well as general obligation indebtedness of the County subject to the 20% debt limitation under Section 59-9-37, Mississippi Code of 1972, as amended (indicated by an *).

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Debt Ratios

Year	General Obligation Debt	General Obligation Debt to Assessed Value
2003	\$67,580,000	4.23%
2002	57,495,000	3.60
2001	61,415,000	3.92
2000	59,570,000	3.87
1999	52,910,000	4.90

Underlying General Obligation Indebtedness

(as of October, 2003)

City	2003 Population	Current Assessed Valuation	General Obligation Indebtedness	Ratio of Indebtedness to Assessed Value
Biloxi	50,644	\$538,892,324	\$21,895,000	\$432.33
D'Iberville	7,608	48,681,945	-0-	-0-
Gulfport	71,127	590,452,925	39,132,100	550.17
Long Beach	17,320	98,550,205	3,795,000	220.25
Pass Christian	6,579	65,734,835	-0-	-0-

School District	Current Assessed Valuation	General Obligation Indebtedness
Biloxi Public School District	\$462,365,180	\$27,875,000
Gulfport Public School District	343,981,000	24,845,000
Long Beach School District	110,224,391	1,255,000
Pass Christian Public School District	142,564,300	8,735,000
Harrison County School District ²⁰	507,385,951	22,995,000

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²⁰ The outstanding general obligation debt includes the following: \$510,000 General Obligation School Bonds, dated 1/1/84 issued by the County for Harrison County School District, \$1,270,000 General Obligation Construction Bonds, dated 3/1/87 issued by the County for Harrison County School District, \$22,360,000 General Obligation School Bonds, Series 1997, dated 3/1/97, issued by Harrison County School District.

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APPENDIX C
FORM OF LOAN AGREEMENT AND NOTE

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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APPENDIX D

FORM OF CO-BOND COUNSEL OPINION

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FORM OF CO-BOND COUNSEL OPINION

Upon the delivery of the Bonds, Butler, Snow, O'Mara, Stevens & Cannada, PLLC, and Page, Mammino, Peresich and McDermott, Co-Bond Counsel, each proposes to deliver an opinion in substantially the following form:

December __, 2003

Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202

Re: \$ _____ Mississippi Development Bank Special Obligation Bonds, Series 2001
(MSI Loan Program - Harrison County, Mississippi 2003 Refunding Project), dated the
date of delivery thereof (the "Bonds")

Ladies and Gentlemen:

We have acted as Co-Bond Counsel in connection with the issuance by the Mississippi Development Bank ("Issuer") of its Bonds, in the aggregate amount of \$ _____, pursuant to a Trust Indenture ("Indenture"), dated the date of delivery of the Bonds, by and between the Issuer and Hancock Bank, Gulfport, Mississippi, as Trustee ("Trustee"). We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion, including the Issuer's tax covenants and representations made in the Indenture and tax certificates and the County's (as defined in the Indenture) tax covenants and representations and certificates (collectively, "Tax Representations and Covenants").

We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Tax Representations and Covenants, and have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are the valid and binding limited obligations of the Issuer enforceable in accordance with the terms thereof. The Bonds are payable from and secured only by the certain payments and funds to be received by the Issuer and the Trustee and pledged to the Bonds under the Indenture.
2. The Indenture is a valid and binding agreement of the Issuer enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the funds and accounts of the Indenture and the Note, including the investments thereof, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.
3. Under statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is exempt from income taxation in the State of Mississippi. This opinion relates only to the tax exemption of interest on the Bonds from State income tax.
4. Under federal statutes, decisions, regulations and rulings existing on this date interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date ("Code") and interest on

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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the Bonds is not treated as a specific item of tax preference under Section 57 of the Code in calculating the alternative minimum tax imposed by Section 55 of the Code. Such interest, however, is includable in the "adjusted current earnings" of a corporation for purposes of computing the alternative minimum tax and the environmental tax imposed on corporations. The adjustment for "adjusted current earnings" set forth in Section 56(g) of the Code is required in determining a corporation's alternative minimum taxable income. The alternative minimum taxable income is increased by 75 percent of the excess (if any) of (i) the "adjusted current earnings" of a corporation over (ii) its alternative minimum taxable income (determined without regard to this adjustment and the alternative tax net operating loss deduction). Interest on tax-exempt obligations, including the interest on the Bonds, would generally be included in computing a corporation's "adjusted current earnings". Accordingly, a portion of any interest on the Bonds received or accrued by a corporate registered owner will be included in computing such corporation's alternative minimum taxable income for such year.

5. To the best of our knowledge, the information contained in the Official Statement under the captions "INTRODUCTION", "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS", "THE BONDS", "ESTIMATED SOURCES AND USES OF FUNDS", "TAX MATTERS", "LEGAL MATTERS", "CONTINUING DISCLOSURE", "MISCELLANEOUS" and in APPENDIX A and C, insofar as such information purports to summarize certain provisions of the Indenture, Loan Agreement and the Note, presents a fair and accurate summary of such provisions. To the best of our knowledge, the information under the aforesaid captions also does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

These opinions relate only to the exclusion from gross income of interest on the Bonds for federal income tax purposes under Section 103 of the Code and are conditioned on continuing compliance by the Issuer and the County with the Tax Representations and Covenants. Failure to comply with the Tax Representations and Covenants could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue. No opinion is expressed upon the consequences of owning the Bonds under any section of the Code other than Section 103.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Capitalized terms not defined herein shall have the definitions set forth in the Indenture.

Very truly yours,

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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APPENDIX E

HARRISON COUNTY, MISSISSIPPI AUDITED FINANCIAL
STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002 AND
FISCAL YEARS 2003 AND 2004 ADOPTED BUDGETS

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2002

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ADOPTED BUDGET FOR FISCAL YEAR 2002-2003

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ADOPTED BUDGET FOR FISCAL YEAR 2003-2004

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APPENDIX F

FINANCIAL GUARANTY INSURANCE POLICY SPECIMEN

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APPENDIX G
SURETY BOND SPECIMEN

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EXHIBIT D
FORM OF BOND PURCHASE AGREEMENT

MINUTES
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

BOND PURCHASE AGREEMENT

among

HARRISON COUNTY, MISSISSIPPI,
MISSISSIPPI DEVELOPMENT BANK,

and

SISUNG SECURITIES CORPORATION

dated December 23, 2003

§ _____
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2003
(MSLOAN PROGRAM -HARRISON COUNTY, MISSISSIPPI
2003 REFUNDING PROJECT)

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
DECEMBER 2003 TERM

BOND PURCHASE AGREEMENT

Sisung Securities Corporation
World Trade Center
2 Canal Street, Suite 2440
New Orleans, Louisiana 70130

Ladies and Gentlemen:

You have informed the undersigned Harrison County, Mississippi (the "County") and Mississippi Development Bank (the "Bank") of your desire to purchase for the Bank the aggregate of \$ _____ principal amount of the Bank's Special Obligation Bonds, Series 2003 (MS Loan Program - Harrison County, Mississippi 2003 Refunding Project).

Now, therefore, the undersigned hereby agrees with you and you agree with the undersigned as follows:

1. **Definitions.** For purposes of this Agreement the following terms have the meanings specified:

"**Act**" means Section 31-25-1 *et seq.*, of the Mississippi Code of 1972, as amended, and supplemented from time to time.

"**Affiliate**" means any Person controlling, controlled by or under common control with the County.

"**Agreement**" means this Bond Purchase Agreement, as from time to time amended, supplemented or modified.

"**Ancillary Agreements**" means the Trust Indenture, the Loan Agreement, the Remarketing Agreement, the Note, the Standby Bond Purchase Agreement and all other agreements executed and delivered in connection therewith or otherwise in connection with the issuance and sale of the Bonds, each as from time to time amended, supplemented or modified.

"**Bank**" means Mississippi Development Bank, a Mississippi public corporation, and its successors and assigns.

"**Bondholder**" means the record owner of any Bond.

"**Bonds**" means the \$ _____ Mississippi Development Bank Special Obligation Bonds, Series 2003 (MS Loan Program - Harrison County, Mississippi 2003 Refunding Project).

"**Business Day**" means any day other than Saturday or Sunday on which the Bank and the Trustee are each not required or authorized by law to be closed and on which the New York Stock Exchange is not closed.

"**Closing**" means the closing held on the Closing Date as defined herein.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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"**Closing Date**" means December 23, 2003, or such later date as you and the Bank shall agree upon.

"**County**" means Harrison County, Mississippi, and its successors.

"**Default**" or "**Event of Default**" shall have the meanings given such terms in the Trust Indenture.

"**Depository**" means any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended, operating and maintaining, with its participants or otherwise, a system to record ownership of beneficial interests in Bonds, and to effect transfers of Bonds, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"**Disclosure Document**" means the Preliminary Official Statement, Official Statement, or any other similar disclosure document or instrument prepared in connection with the Bonds.

"**Governmental Body**" means any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

"**Loan Agreement**" means the Loan Agreement, dated December 23, 2003, by and between the Bank and the County.

"**MDB Resolution**" means the resolution of the Bank dated November 19, 2003, under which the Bank authorized the issuance of the Bonds.

"**Note**" means the \$_____ Promissory Note (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), dated December 23, 2003, from County to the Bank as assigned to the Trustee.

"**Person**" means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including without limitation a government or political subdivision thereof or a Governmental Body.

"**Project**" means the Project as defined in the Loan Agreement.

"**Purchaser**" means Sisung Securities Corporation, New Orleans, Louisiana, as underwriter in its capacity as original purchaser of the Bonds.

"**Remarketing Agent**" means Sisung Securities Corporation, New Orleans, Louisiana, in its capacity as Remarketing Agent under the Remarketing Agreement.

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"Remarketing Agreement" means the Remarketing Agreement to be dated as of the delivery date of the Bonds, by and among the County, the Bank and the Remarketing Agent, which provides for the remarketing by the Remarketing Agent of Tendered Bonds (as defined in the Indenture).

"Standby Bond Purchase Agreement" shall mean that certain Standby Bond Purchase Agreement dated December 23, 2003, among the County, the Trustee and Bank One, National Association.

"Subsidiary" means, with respect to any Person, any corporation or other entity of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are at the time directly or indirectly owned by such Person or one or more Subsidiaries, or by such person and one or more Subsidiaries.

"Tax Event" means, with respect to any Bond, any event which by the terms of such Bond or any related financing document relates to the taxability of interest paid on such Bond and as a result of which such Bond shall become subject to a mandatory redemption.

"Trust Indenture" means the Trust Indenture, dated December 23, 2003, by and between the Bank and the Trustee, as from time to time amended, supplemented or modified.

"Trustee" means Hancock Bank, Gulfport, Mississippi, as trustee under the Trust Indenture, and its successors and assigns.

2. **Sale and Purchase of Bonds.** (A) **Sale of Bonds.** Subject to the terms and conditions contained in this Agreement, the Bank hereby agrees to sell to you, and you hereby agree to purchase the aggregate amount of \$ _____ principal amount of Bonds at a purchase price of \$ _____, which represents the principal amount of the Bonds, less an underwriter's discount of \$ _____, on the Closing Date. The Bonds shall initially be issued in denominations of not less than \$100,000 each or in \$5,000 increments in excess of \$100,000 and shall be registered in the name of Cede & Co., as nominee for the Depository. The Bonds shall mature on _____, 20__ and shall bear interest at the rate or rates as determined and in the manner set forth in the Remarketing Agreement.

(B) **Closing.** The sale of the Bonds shall take place on the Closing Date at the offices of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, or such other location which is agreed upon by the parties. You shall make payment of the purchase price for the Bonds on the Closing Date to the Bank or as directed by the Bank in immediately available funds, wire transfer or by credit advice of transfer to such account as the Bank may have designated to you in writing at least two Business Days prior to such Closing Date.

(C) **Right to Rescind.** You shall have the right to rescind or terminate this Agreement at any time on or prior to the Closing Date if an Event of Default or a Default on the Bonds shall have occurred and be continuing, or the sale and purchase of the Bonds as provided herein shall, in your reasonable judgment, become impossible or impractical because, since the date hereof:

- (i) any outbreak of major hostilities or any other national or international calamity or crisis shall have occurred;

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- (ii) a general banking moratorium shall have been declared by Federal or New York State authorities;
- (iii) trading on the New York Stock Exchange shall have been suspended, or minimum or maximum prices for trading shall have been fixed or maximum ranges for prices shall have been required on the New York Stock Exchange by such Exchange or by the Securities and Exchange Commission or any other Governmental Body; or
- (iv) any action shall have been taken by the Securities and Exchange Commission preventing the effectiveness of the registration statement filed with the Securities and Exchange Commission under the Securities Act of 1933 with respect to one or more of the bondholders that are required to file such registration statements or the Securities and Exchange Commission shall have issued a stop order suspending the effectiveness of such registration statement.

3. **Representation and Warranties of the County.** The County represents and warrants that on and as of the date hereof and on and as of the Closing Date:

(A) **Organization and Power.** The County is a political subdivision of the State of Mississippi, and has all power and all material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted or proposed to be conducted and to enter into and perform this Agreement and any Ancillary Agreement to which it is or is to be a party.

(B) **Authorization of Agreements, etc.** This Agreement and the Ancillary Agreements to which the County is or is to be a party have been duly authorized by all necessary action on the part of the County. This Agreement has been duly executed and delivered by the County and constitutes, and the Ancillary Agreements to which the County is or is to be a party, when duly executed and delivered, will constitute valid and binding agreements of the County.

(C) **No Material Adverse Change.** Since November 1, 2003, there has been no material adverse change in the business, financial, condition, results or operations of the County.

(D) **Litigation.** Except as disclosed in documents publicly available regarding the County, there is no action, suit, proceeding, inquiry or investigation pending or, to the knowledge of the County, threatened, against or affecting the County or any Affiliate thereof in any court or before any arbitrator or before or by any Governmental Body reasonably likely to result in an adverse decision which would materially adversely affect the business, financial position or results of operations of the County, or which in any manner raises any question affecting the validity or enforceability of this Agreement or any of the Ancillary Agreements to which the County is or is to be a party, nor to the knowledge of the County is there any basis therefor.

(E) **Noncontravention.** To the knowledge of the County, the execution, delivery and performance by the County of this Agreement and the Ancillary Agreements to which it is or is to be a party do not and will not contravene, or constitute a default under any material provision of applicable law or regulation of the County or of any material agreement, judgment, injunction, order, decree or other instrument binding upon the County or any Affiliate thereof, or result in the creation

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of any material lien other than liens contemplated by the Ancillary Agreements or other encumbrance on any asset of the County or any Affiliate.

(F) **Governmental Consents.** All authorizations, consents and approvals of, and all filings and registrations with, any Governmental Body required in connection with the execution and delivery by the County of, or in connection with the performance by the County of its obligations under this Agreement, the Ancillary Agreements to which the County is or is to be a party, and the Bonds, have been obtained or made and are in full force and effect.

(G) **Brokers, etc.** Other than you, no Person has, or, as a result of the transactions contemplated hereby and by the Ancillary Agreements, will have, any right, interest or valid claim against or on the County or any purchaser for any commission, fee or other compensation as a broker or finder or in any similar capacity, which fee is the obligation solely of the County and will be paid on or before the Closing Date.

(H) **Standby Bond Purchase Agreement.** The County will cause the Trustee and Bank One, National Association to deliver the Standby Bond Purchase Agreement on the Closing Date.

4. **Representations and Warranties of the Bank.** The Bank represents and warrants that, on and of the date hereof and on and as of the Closing Date:

(A) **Authority.** The Bank is a validly existing public corporation organized and existing under the laws of the State of Mississippi. The Bank is authorized and empowered by the provisions of the Act to enter into the transactions contemplated by this Agreement and the Ancillary Agreements to which the Bank is or is to be a party. The execution, delivery and performance of this Agreement, the Ancillary Agreements to which the Bank is or is to be a party, and the Bonds are within the authority of the Bank, have been duly authorized by all proceedings of the Bank, and such execution, delivery and performance do not and will not contravene, or constitute a default under, any provision of applicable law or regulation or of the charter documents or bylaws of the Bank, or any judgment, order, decree, agreement or instrument binding on it or result in the creation of any lien or other encumbrance on any asset of the Bank other than the lien on the Trust Estate, as defined in the Trust Indenture, in favor of the Trustee for the benefit of the Bondholders. This Agreement constitutes, and the Ancillary Agreements to which the Bank is or is to be a party, when duly executed and delivered, will constitute, valid and binding commitments of the Bank, and the Bonds, when duly executed and delivered by the Bank in accordance with this Agreement and the Trust Indenture, will constitute limited, valid and binding obligations of the Bank.

(B) **Use of Proceeds.** The proceeds from the sale of the Bonds hereunder will be used to finance the Project as provided in the Trust Indenture and the Loan Agreement including the payment of the costs of issuance of the Bonds and the Note. The proceeds of the Bonds will not be used by the Bank in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), or any successor section thereto, and the applicable regulations promulgated or proposed thereunder.

(C) **Litigation.** There is no action, suit or proceeding, inquiry or investigation, at law or in equity, by or before any court, arbitrator or Governmental Body pending or, to the knowledge of the Bank, threatened against the Bank in any way calling into question the creation, organization or existence of the Bank, the title of any of its officers to their respective offices, the pledge or lien

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securing the Bonds, the collection of any amounts pledged to the payment of the Bonds or the validity of, or the power of the Bank to enter into, the transactions contemplated hereby and by the Ancillary Agreements, or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or could affect the enforceability of the Bonds or any other agreement or instrument to which the Bank is or is to be a party and that is to be used in connection with, or is contemplated by, this Agreement or the Ancillary Agreements, nor to the knowledge of the Bank is there any basis therefor.

(D) **Governmental Authorization.** All authorization, consents and approvals of, and filings and registration with, any Governmental Body required in connection with the election and delivery by the Bank of, or in connection with the performance by the Bank of obligations under, this Agreement, the Ancillary Agreements to which the Bank is or is to a party, and the Bonds have been obtained or made and are in full force and effect.

5. **Conditions of Closing.** Your obligation to place the Bonds under this Agreement shall be subject to the satisfaction of the following conditions:

(A) **Opinion of Counsel to the County.** You shall have received a favorable opinion dated the Closing Date from counsel to the County, satisfactory to you.

(B) **Opinion of Bond Counsel.** You and the County shall have received favorable opinions dated the Closing Date from Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, bond counsel and counsel to the Bank, satisfactory to you to the effect that:

- (i) the Act is valid under the constitution of the State of Mississippi and the Bonds have been issued in conformity with the Act and the MDB Resolution adopted by the Governing Body of the Bank; the MDB Resolution has been duly adopted and is in full force and effect in the form adopted;
- (ii) the Bank is a public corporation organized and existing under the laws of the State of Mississippi, with full power and authority to undertake the financing of the Project, to execute and deliver this Agreement and the Ancillary Agreements and to issue and sell the Bonds;
- (iii) the Bank has the right and power under the laws of the State of Mississippi to enter into and perform this Agreement and the Ancillary Agreements to which the Bank is a party and to issue and sell the Bonds;
- (iv) this Agreement and the Ancillary Agreements to which the Bank is a party have been duly authorized, executed and delivered by the Bank and constitute valid and binding agreements of the Bank;
- (v) the Bonds have been duly authorized, executed and delivered by the Bank, in accordance with the Act, the MDB Resolution and the Trust Indenture, and constitute valid and binding obligations of the Bank and the Bonds are entitled to the benefits and security of the Trust Indenture;

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- (vi) no consent or approval is required to be obtained from or document filed with, any Governmental Body by the Bank or the County in connection with the execution and delivery of, or performance under, this Agreement or the Ancillary Agreements or in connection with the issuance, sale and performance of the Bonds;
- (vii) under presently existing statutes, regulations, court rulings and court decisions, the interest on the Bonds is exempt from Mississippi income tax and from all other state and municipal taxation in the State of Mississippi, except transfer and estate taxes;
- (viii) under presently existing statutes, regulations, court rulings and court decisions, the interest on the Bonds is excludable from gross income for federal income tax purposes; and
- (ix) the Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and no indenture with respect to the Bonds need be qualified under the Trust Indenture Act of 1939.

(C) **Representations and Warranties.** The representations and warranties of each of the County and the Bank contained herein shall be true and correct on and as of the Closing Date with the same effect as though such representations and warranties had been made on and as of the Closing Date.

(D) **Performance; No Default.** Each of the County and the Bank shall have performed and complied with all agreements and conditions herein required to be performed or complied with by it prior to or on the Closing Date, and at the time of the Closing no event of default or defaults shall have occurred and be continuing with respect to the Bonds.

(E) **Compliance Certificate.** Each of the County and the Bank shall have delivered to you on the Closing Date a certificate, dated the Closing Date, certifying that the conditions relating to the Bank and the County specified in subparagraphs (C) and (D) of this paragraph 5 have been fulfilled.

(F) **Ancillary Agreements.** All of the Ancillary Agreements shall have been duly executed and delivered by and shall constitute valid and binding agreements of, the parties hereto.

(G) **Other Documents and Proceedings.** You shall have received all other documents and opinions as you may reasonably request relating to:

- (i) the existence of the County and the Bank;
- (ii) the governmental authority for and validity of this Agreement, the Ancillary Agreements and the Bonds;
- (iii) the exemption from federal and state income taxes of interest on the Bonds; and
- (iv) other matters relevant to the issuance of the Bonds pursuant to the terms of the Trust Indenture and the sale of the Bonds hereunder.

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All proceedings to be taken in connection with the transactions contemplated by this Agreement and the Ancillary Agreements, and all documents, opinions and certificates incident to such transactions shall be satisfactory in form and substance to you.

(II) **The Bonds.** The Trustee shall have provided to the person(s) you direct as Purchaser, including the Depository, the duly authenticated Bonds in compliance with the provisions of Paragraph 2(A) hereof.

(I) **Notice.** You shall have received five (5) Business Days' written notice from the County or the Bank of the proposed Closing Date.

(J) **No Legal Action.** There shall not be pending before any court or any other Governmental Body any action, proceeding or investigation which is directed toward challenging, restraining, prohibiting or invalidating the transactions contemplated hereby or by the Ancillary Agreements, nor shall the Bank or the County have received from any Governmental Body official notification objecting to the sale of the Bonds.

6. **Agreements of the County.** The County agrees that it will deliver to you and the Trustee and the Bank:

- (i) copies of annual audited financial statements of the County;
- (ii) promptly upon becoming aware of any Tax Event relating to any Bond, a notice of such Tax Event setting forth the details thereof; and
- (iii) promptly upon becoming aware of the existence of any condition or event which constitutes a default or an event of default on the Bonds, a certificate of an officer of the County to such effect setting forth the details thereof and the actions to be taken with respect thereto.

7. **[Reserved].**

8. **Payment of Certain Expenses and Taxes by the County.** Whether or not the transactions contemplated by this Agreement shall be consummated, the County agrees:

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(A) to pay all reasonable expenses incurred by you or any holder of any of the Bonds or an interest therein incident to the transactions contemplated by this Agreement or in connection with any enforcement, modification, amendment or alteration of this Agreement, the Bonds or any of the Ancillary Agreements (whether or not any such enforcement, modification, amendment or alteration becomes effective), including, but not limited to, any out-of-pocket expenses incurred by you or any such holder and the fees, charges and disbursements of special counsel for you or any such holder;

(B) to pay the fees and expenses of the Depository; and

(C) to the extent allowed by law, to pay, and save you or any such holder of any of the Bonds or any interest therein harmless against any and all liability with respect to, amounts payable as a result of:

- (i) any issuance, stamp, documentary, transfer or similar taxes which may be determined to be payable in connection with the execution and delivery of the Bonds, this Agreement or any of the Ancillary Agreements, or any modification, amendment or alteration, of the terms or provisions of any of the Bonds, this Agreement or any of the Ancillary Agreements, and
- (ii) any interest or penalties resulting from any delays in paying any of such expenses, charges, disbursements, liabilities or taxes.

The obligations of the County under this Paragraph 8 shall survive the payment of the Bonds.

9. **Indemnification by County.** The County, the Bank and the Purchaser hereby agree as follows:

(A) The County, to the extent allowed by law, agrees to indemnify and hold harmless the Purchaser, the Trustee and the Bank, their respective directors, officers, employees and agents and each person, if any, and its directors, officers, employees and agents, who controls the Purchaser within the meaning of the Securities Act (collectively, the "Indemnified Persons" and individually, an "Indemnified Person") from and against any and all losses, claims, damages, liabilities and costs (i) arising out of any statement or information regarding the County contained in any Disclosure Document that is untrue or incorrect or alleged to be untrue or incorrect in any material respect or the omission or alleged omission therefrom of any statement or information that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected without the written consent of the Indemnified Persons, and (iii) to which the Indemnified Persons may become subject under the Securities Act, the Securities Exchange Act of 1934, as amended or other federal or state statutory laws or regulations insofar as such losses, claims, damages, liabilities and costs and any legal or other expenses (including legal or other expenses reasonably incurred in connection with investigating or defending the same) to which the County and the Indemnified Persons may be subject in such proportion as is appropriate to reflect not only the relative benefits received by the County on the one hand and the Indemnified Persons on the other hand, but also the relative fault of the County and the Indemnified Persons, as well as any relevant equitable considerations.

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(B) This indemnity agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the County, or on delivery of and payment for any Bonds hereunder, and shall survive the termination or cancellation of this letter Agreement.

10. **Survival of Covenants; Successors and Assigns.** All covenants, agreements, and warranties made by the County or the Bank in this Agreement, the Ancillary Agreements or in certificates or other documents delivered pursuant to any thereof in connection with the delivery of the Bonds to you, and shall continue in full force and effect until are paid in full and thereafter to the extent provided by Paragraph 9. All such covenants, agreements, representations and warranties shall be binding upon any successors and assigns of the County or the Bank, as the case may be, and shall inure to the benefit of your successors and assigns.

11. **No Oral Change; Assignment.** (A) This Agreement may not be changed orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

(B) Neither the County nor the Bank may assign any of its respective rights or obligations under this Agreement without your written consent, and you shall not be required to purchase the Bonds except as provided in this Agreement.

12. **Notices.** Except as otherwise provided in this Agreement, whenever notice is required to be given pursuant to the provisions of this Agreement, such notice shall be in writing and shall be mailed by first class mail, postage prepaid, addressed:

If to the Bank -	Mississippi Development Bank 735 Riverside Drive, Suite 300 Jackson, Mississippi 39202 Attention: Executive Director
If to the Trustee -	Hancock Bank 1855 Lakeland Drive, Suite P-231 Jackson, Mississippi 39216 Attention: Trust and Financial Services
If to the County -	Harrison County, Mississippi P. O. Drawer CC Gulfport, Mississippi 39502 Attention: President, Board of Supervisors
If to the Remarketing Agent -	Sisung Securities Corporation World Trade Center 2 Canal Street, Suite 2440 New Orleans, Louisiana 70130

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If to the Rating
 Agency -

Standard & Poor's Ratings Group
 55 Water Street
 New York, New York 10041

If to the Securities
 Depository -

The Depository Trust Company
 55 Water Street
 New York, New York 10041
 Attention: Municipal Securities

All notices shall be effective upon receipt.

13. **Reproduction of Documents.** This Agreement, the Ancillary Agreements, and all documents relating thereto, including without limitation (A) consents, waivers and modifications which may hereafter be executed, (B) documents received by you at the Closing (except the Bonds), and (C) financial statements, certificates and other information previously or hereafter furnished to you or any bondholder may be reproduced by you or such bondholder by any photographic, photostatic, microfilm, micro-card, miniature photographic or other similar process and you or any bondholder may destroy any original document so reproduced. The County and the Bank agree and stipulate that any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by you or any bondholder in the regular course of business) and that any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence.

14. **Law Governing.** This Agreement shall be construed in accordance with and governed by the laws of the State of Mississippi.

15. **Headings.** The headings of the paragraphs and subparagraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement.

16. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

17. **Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

[Signature Pages to Follow.]

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If you agree with the foregoing, please sign _____ () copies of this Agreement in the space provided below and return one copy so executed to each of the County, the Bank and the Purchaser, whereby this Agreement shall then become a binding agreement among you, the Purchaser and the Bank.

Very truly yours,

HARRISON COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

Signature page to Bond Purchase Agreement, dated December 23, 2003, by and among, Harrison County, Mississippi, the Mississippi Development Bank and Sisung Securities Corporation regarding \$ _____ Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project).

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MISSISSIPPI DEVELOPMENT BANK

By: _____
William T. Barry, Executive Director

Signature page to Bond Purchase Agreement, dated December 23, 2003, by and among, Harrison County, Mississippi, the Mississippi Development Bank and Sisung Securities Corporation regarding \$_____ Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project).

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Accepted By:

SISUNG SECURITIES CORPORATION

By: _____
Vice President

Signature page to Bond Purchase Agreement, dated December 23, 2003, by and among, Harrison County, Mississippi, the Mississippi Development Bank and Sisung Securities Corporation regarding \$_____ Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project).

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EXHIBIT E
FORM OF REMARKETING AGREEMENT

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REMARKETING AGREEMENT

THIS REMARKETING AGREEMENT (the "Remarketing Agreement"), dated December 23, 2003 is made and entered into among **HARRISON COUNTY, MISSISSIPPI**, a political subdivision of the State of Mississippi (the "County"), **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic validly existing under and by virtue of the laws of the State of Mississippi (the "Issuer"), and **SISUNG SECURITIES CORPORATION**, a Louisiana corporation (the "Remarketing Agent").

RECITALS

The Issuer has duly authorized the execution and delivery of its \$ _____ Special Obligation Bonds, Series 2003 (MS Loan Program - Harrison County, Mississippi 2003 Refunding Project) (the "Bonds"). The Bonds will be issued pursuant to a Trust Indenture, dated as of December, 2003 (the "Indenture"), by and between the Issuer and Hancock Bank, Gulfport, Mississippi, as trustee (the "Trustee"). The Indenture provides for the tender, repurchase and remarketing of the Bonds from time to time. The Indenture also provides for the appointment of a remarketing agent to perform certain duties related to the setting of rates and remarketing of the Bonds. Pursuant to this Remarketing Agreement, the Remarketing Agent will agree to accept its appointment on the terms and conditions hereafter set forth.

AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing and the covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

Section 1. Definitions. All capitalized terms not defined herein shall have the meaning ascribed to them in the Indenture, unless a different meaning clearly appears from the context.

Section 2. Appointment of Remarketing Agent; Responsibilities of Remarketing Agent. Subject to the terms and conditions herein contained, the Issuer and the County hereby appoint Sisung Securities Corporation, and Sisung Securities Corporation hereby accepts such appointment, as exclusive remarketing agent in performing the respective functions of determining the Weekly Rate and the Term Rate to be borne by the Bonds from time to time and the remarketing of the Bonds from time to time in the secondary market subsequent to the initial offering, issuance and sale of the Bonds, all as more fully provided in the Indenture.

(a) The Remarketing Agent agrees to determine the Weekly Rate for each interest period when the Bonds are in the Weekly Rate Mode and the Term Rate, all pursuant to and in accordance with Sections 4.2(a) and (b) of the Indenture.

(b) The Remarketing Agent agrees to use its best efforts to remarket all Bonds tendered for purchase pursuant to Section 4.6 of the Indenture, upon receipt of notice from the Trustee in the form required under the Indenture, at a price of 100% of the principal amount thereof, plus accrued interest, if any, subject to and in accordance with the relevant provisions of the Indenture.

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(c) Notwithstanding any of the foregoing, the Remarketing Agent shall not offer for sale or sell Bonds tendered for purchase to the Issuer or the County.

Section 3. Exclusive Agent; Resignation and Removal of Remarketing Agent. The Issuer has agreed, and the County hereby agrees, that unless this Remarketing Agreement has been previously terminated pursuant to the terms hereof, the Remarketing Agent shall act as exclusive remarketing agent for the Issuer and the County in determining the interest rate on the Bonds and in connection with the remarketing of Bonds tendered or deemed tendered on the terms and conditions herein and in the Indenture contained at all times. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Remarketing Agreement or may be removed at any time upon notice and in the manner provided in Section 13.12 of the Indenture.

Section 4. Furnishing of Offering Materials. The County agrees to furnish the Remarketing Agent, at the County's expense, with as many copies as the Remarketing Agent may reasonably request of the Official Statement, dated _____, 2003 (the "Official Statement") in connection with the issuance of the Bonds and any subsequent remarketing of the same as herein provided, and shall, at the County's expense, amend or supplement the Official Statement (and/or the documents incorporated by reference therein), so that at all times the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. In addition, the County will, at its own expense, take all steps reasonably requested by the Remarketing Agent which the Remarketing Agent or its counsel may consider necessary or desirable (i) register the sale of the Bonds by the Remarketing Agent under any Federal or state securities law or to qualify the Indenture under the Trust Indenture Act of 1939, as amended, or (ii) to enable the Remarketing Agent to establish a "due diligence" defense to any action commenced against the Remarketing Agent in respect of the Official Statement and any supplement or amendment thereto.

Section 5. Representations and Warranties of the Remarketing Agent. The Remarketing Agent hereby represents and warrants as follows:

(a) The Remarketing Agent is a Louisiana corporation duly organized and validly existing under the laws of the State of Louisiana, is a member of the National Association of Securities Dealers, Inc., and is authorized by law to perform all the duties imposed upon the Remarketing Agent by the Indenture.

(b) The Remarketing Agent has the power and authority to execute, deliver and perform this Remarketing Agreement.

(c) The execution, delivery and performance of this Remarketing Agreement and the consummation of the transactions herein contemplated have been duly authorized by the Remarketing Agent.

(d) No approval, authorization or other action by, or filing with, any governmental authority, other than any which have been obtained or made, is required in connection with the execution, delivery and performance by the Remarketing Agent of this Remarketing Agreement.

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Section 6. Representations and Warranties of the County.

- (a) The County is a political subdivision of the State of Mississippi.
- (b) The County has the power and authority to execute, deliver and perform this Remarketing Agreement.
- (c) The execution, delivery and performance of this Remarketing Agreement and the consummation of the transactions herein contemplated have been duly authorized by the County.
- (d) No approval, authorization or other action by, or filing with, any governmental authority which has not been obtained is required in connection with the execution, delivery and performance by the County of this Remarketing Agreement; provided that no representation or warranty is made with respect to any federal or state securities law.

Section 7. Presentations and Warranties of the Issuer. The Issuer hereby represents and warrants that:

- (a) The Issuer is a body corporate and politic, duly created, organized and existing under the laws of the State of Mississippi.
- (b) The Issuer has the power and authority to execute, deliver and perform this Remarketing Agreement.
- (c) The execution, delivery and performance of this Remarketing Agreement and the consummation of the transactions herein contemplated have been authorized by the Issuer.
- (d) No approval, authorization or other action by, or filing with, any governmental authority which has not been obtained is required in connection with the execution, delivery and performance by the Issuer of this Remarketing Agreement; provided that no representation or warranty is made with respect to any federal or state securities laws.

Section 8. Conditions to Remarketing Agent's Obligations. The obligations of the Remarketing Agent under this Remarketing Agreement have been undertaken in reliance on, and shall be subject to the following:

- (a) The due performance by the County of its obligations and agreements to be performed hereunder and to the accuracy of the compliance with the respective representations and warranties of the County contained herein and in the Bond Documents (as defined in the Indenture), in each case on and as of the date of delivery of this Remarketing Agreement and on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement;
- (b) The due performance by the Issuer of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the respective representations and warranties of the Issuer contained herein and in the Bond Documents, in each case on and as of the date of delivery of this Remarketing Agreement and on and as of each date on which Bonds are to be offered and sold pursuant to this Remarketing Agreement;

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(c) The Bond Documents shall be in full force and effect and shall not have been amended, modified or supplemented in any way which would materially and adversely affect the Bonds and there shall be in full force and effect such additional resolutions, agreements, certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax-exempt character of interest on the Bonds) and opinions shall be necessary to effect the transactions contemplated by this Remarketing Agreement, which resolutions, agreement, certificates and opinions, at the request of the Remarketing Agent, shall be satisfactory in form and substance to the Remarketing Agent and to its counsel;

(d) There shall have been no adverse change, in the opinion of the Remarketing Agent, in the condition, financial or otherwise of the County or the Letter of Credit Provider material to the transactions contemplated by the Official Statement or this Remarketing Agreement since the date of the Official Statement and no Event of Default (as such term is defined in the Indenture) shall have occurred and be continuing and no event shall have occurred and be continuing which, with the passage of time or giving of notice or both, would constitute such an Event of Default; and

(e) The Bonds, in the opinion of counsel to the Remarketing Agent, shall be exempt from registration pursuant to the Securities Act of 1933, as amended, and, in such counsel's opinion, the Indenture shall be exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

Section 9. Terms and Termination of Remarketing Agreement. This Remarketing Agreement shall become effective upon execution by the Remarketing Agent, the Issuer and the County and shall continue in full force and effect until the earlier of (a) the date on which a Term Rate Period with respect to all of the Bonds takes affect, which Term Rate Period ends on the Maturity of the Bonds, or (b) payment in full of the Bonds, subject to the right of the Remarketing Agent, the Issuer or the County to terminate this Remarketing Agreement at any time in accordance with the terms hereof.

Section 10. Payment of Fees and Expenses.

(a) In consideration of the services to be performed by the Remarketing Agent under this Remarketing Agreement, the County agrees to pay to the Remarketing Agent such amounts as are required to reimburse for or pay the reasonable out-of-pocket expenses (including, without limitation, the reasonable fees and disbursements of its counsel, and the expenses and costs of the preparation, printing, photocopying, execution and delivery of any supplement to the Official Statement) incurred pursuant to the Indenture or this Remarketing Agreement.

(b) Additionally, so long as the Bonds bear interest at the Weekly Rate, the County shall pay for the services of the Remarketing Agent hereunder an annual amount (the "Annual Fee") equal to an aggregate of one-eighth of one percent (.125%) of the aggregate principal amount of Bonds outstanding under the Indenture, payable quarterly in arrears on each March 1, June 1, September 1 and December 1, commencing on the first such day after the issuance of the Bonds and computed on the basis of the average principal amount of the Bonds outstanding during each preceding quarterly (or partial quarter) period, with partial quarterly payments to be prorated based upon the number of

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days elapsed and the number of days in the quarterly period, provided that the aggregate Annual Fee shall never total less than \$2,500.

(c) In addition to the annual fee described in paragraph (b), on each Conversion Date, the County shall pay the Remarketing Agent a mutually acceptable fee on the day prior to any such Conversion Date, as compensation for Remarketing Agent's services in remarketing the Bonds at the Term Rate.

(d) With respect to the remarketing of the Bonds tendered or deemed tendered pursuant to the Mandatory Tender provisions of the Indenture and remarketed bearing the Term Rate the Remarketing Agent shall be entitled to reimbursement of reasonable and customary expenses and compensation for similar services with respect to similarly situated securities, in amounts as shall be agreed upon by the County and the Remarketing Agent.

Section 11. Indemnification.

(a) The County, to the extent allowed by law, agrees to indemnify and hold harmless the Issuer and the Remarketing Agent and each member, director, official, officer or employee and each person, if any, who controls the Remarketing Agent within the meaning of Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended (collectively, the "Indemnified Persons" and individually, an "Indemnified Person") from and against any losses, claims, damages or liabilities to which any Indemnified Person may be subject insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of, or are based upon, any untrue statement or alleged omission of a material fact contained in the Official Statement or other information provided by the County pursuant to Section 4 hereof, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading and will reimburse each Indemnified Person for any legal or other expenses reasonably incurred by such Indemnified Person in investigating, defending or preparing to defend any such action or claim; provided, however, that the County shall not be liable in any such case (i) to the extent that any such loss, claim, damage or liability arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in the Official Statement in reliance upon and in conformity with written information furnished to the County by or on behalf of any Indemnified Person specifically, for inclusion therein, or (ii) for any claim against any Indemnified Person arising from the negligence or willful misconduct of such Indemnified Person. The indemnity agreement in this paragraph shall be in addition to any liability which the County may otherwise have to any Indemnified Person.

(b) Promptly after receipt by an Indemnified Person under paragraph (a) of this Section 11 of notice of the commencement of any action, such Indemnified Person shall, if a claim in respect thereof is to be made against the County under such paragraph, notify the County in writing of the commencement thereof. The County's liability, if any, to any Indemnified Person under this Section 11 shall be conditioned upon delivery of such notice to the County by such Indemnified Person. In case any such action shall be brought against any Indemnified Person, and such Indemnified Person shall notify the County of the commencement thereof, the County shall be entitled to participate in and, to the extent that it wishes to assume the defense thereof, with counsel reasonably satisfactory to such Indemnified Person, and after notice from the County to such Indemnified Person of its election

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so to assume the defense thereof, the County shall not be liable to such Indemnified Person under such paragraph for any legal or other expenses subsequently incurred by such Indemnified Person in connection with the defense thereof other than reasonable costs of any investigation; provided, however, that if the named parties to any such action (including any impleaded parties) include both the Remarketing Agent (or its officers or employees or any person controlling the Remarketing Agent) and the County, and the Remarketing Agent (or such officers or employees or such person so controlling the Remarketing Agent) shall have reasonably concluded that there may be one or more legal defenses available to it which are different from or additional to those available to the County (in which case the County shall not have the right to assume the defense on behalf of the Remarketing Agent or such officers or employees or such person so controlling the Remarketing Agent), the Remarketing Agent (or such officers or employees or such person so controlling the Remarketing Agent) shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of the Remarketing Agent (or such officers or employees or such person so controlling the Remarketing Agent); provided further, however, that the County shall not, in connection with any one such action or separate but substantially similar or related actions arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate firm of attorneys at any point in time for the Remarketing Agent and its officers and employees and all persons so controlling the Remarketing Agent.

(c) To the extent allowed by law, the indemnity agreements contained in this Section 11 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Remarketing Agent, the Issuer or the County and shall survive the termination or cancellation of this Remarketing Agreement.

Section 12. Nature of Remarketing Agent's Obligations. Without limiting the foregoing, the Remarketing Agent is hereby expressly authorized and directed to honor its obligations under and in compliance with the term of this Remarketing Agreement without regard to, and without any duty on its part to inquire into, the existence of any disputes or controversies between the Issuer, the County, the Trustee, the Letter of Credit Provider or any other person or the respective rights, duties or liabilities of any of the them, or whether any facts or occurrences represented in any of the documents presented under this Remarketing Agreement are true and correct. Furthermore, the Issuer and the County fully understand and agree that the Remarketing Agent's sole obligation to the Issuer and the County shall be limited to honoring its obligations under and in compliance with the terms of this Remarketing Agreement.

Section 13. Dealing In Bonds by Remarketing Agent. The Remarketing Agent, in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action which any Bondholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the Issuer or the County as freely as if it did not act in any capacity hereunder.

Section 14. Intention of Parties. It is the express intention of the parties hereto that neither the fixing of any interest rate on the Bonds nor any purchase, sale or transfer of any Bonds, as

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herein provided, shall constitute or be construed to be the extinguishment of any Bond or the indebtedness represented thereby or the reissuance of any Bonds.

Section 15. Miscellaneous.

(a) Any request, demand, authorization, direction, notice, consent, or other document provided or permitted by this Remarketing Agreement to be made upon, given or furnished to, or filed with, the County, the Trustee, the Issuer or the Remarketing Agent shall be sufficient for every purpose hereunder if in writing and (except as otherwise provided in this Remarketing Agreement) either (i) delivered personally to the party or, if such party is not an individual to an officer, partner or other legal representative of the party to whom the same is directed (provided that any document delivered personally to the Trustee must be delivered at its principal office during normal business hours) at the hand delivery address specified in Section 16.1 of the Indenture or (ii) mailed by first class, registered or certified mail, postage prepaid and addressed as specified in Section 16.1 of the Indenture. Any party may change the address for receiving any such notice or document by giving notice of the change to the other party as provided in this Section 15.

(b) Any such notice or other document shall be deemed delivered when actually received by the party to whom directed (or, if such party is not an individual, to an officer, partner or other legal representative of the party) at the address specified pursuant to this Section 15 or, if sent by mail, three (3) days after such notice or document is deposited in the United States mail addressed as provided above.

(c) This Remarketing Agreement shall inure to the benefit of and be binding upon the parties hereto and their legal assigns; "assigns" shall not include any purchaser of any of the Bonds merely because of such purchase.

(d) Section headings have been inserted in this Remarketing Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Remarketing Agreement and will not be used in the interpretation of any provisions of this Remarketing Agreement.

(e) If any provision of this Remarketing Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Remarketing Agreement invalid, inoperative or unenforceable to any extent whatever.

(f) This Remarketing Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) The date of this Remarketing Agreement is intended as and for a date for the convenient identification of this Remarketing Agreement and is not intended to indicate that this Remarketing Agreement was executed and delivered on said date.

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(h) This Remarketing Agreement may be amended by an instrument executed by the County, the Issuer and the Remarketing Agent; provided that such amendment shall not cause this Remarketing Agreement to contain provisions that are in any way inconsistent with the provisions set forth in the Indenture.

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IN WITNESS WHEREOF, the parties hereto have executed this Remarketing Agreement as of the date first above written.

SISUNG SECURITIES CORPORATION

By: _____
Vice President

Signature Page to Remarketing Agreement

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MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

Signature Page to Remarketing Agreement

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HARRISON COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

Signature Page to Remarketing Agreement

JACKSON 811114V1

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EXHIBIT F
FORM OF STANDBY BOND PURCHASE AGREEMENT

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STANDBY BOND PURCHASE AGREEMENT

This **STANDBY BOND PURCHASE AGREEMENT**, dated December 23, 2003 (this "Agreement"), is among **HARRISON COUNTY, MISSISSIPPI** (the "County"), Hancock Bank, as Trustee (the "Trustee"), and **BANK ONE, NATIONAL ASSOCIATION** (the "Liquidity Bank").

WITNESSETH:

WHEREAS, the Trust Indenture, dated December 23, 2003 (the "Indenture"), by and between the Mississippi Development Bank, as Issuer (the "Issuer"), and the Trustee, provides for the issuance of the Issuer's \$_____ Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project) (the "Bonds"); and

WHEREAS, the proceeds of the Bonds will be used by the Issuer to make a loan to the County (the "Loan") pursuant to a Loan Agreement dated December 23, 2003 (the "Loan Agreement"), by and between the County and the Issuer, pursuant to which the County will issue to the Issuer the County's \$_____ Promissory Note, dated December 23, 2003 (MSLoan Program-Harrison County, Mississippi 2003 Refunding Project), (the "Note"), and to pay the costs of issuance of the Bonds and the Note; and

WHEREAS, the County will use a portion of the proceeds of the Loan to provide for the current refunding of the County's \$15,000,000 Promissory Note, dated December 18, 2000; and

WHEREAS, pursuant to the Indenture, the Bonds issued thereunder are subject to tender to the Trustee for purchase; and

WHEREAS, it is necessary that the Trustee obtain a source of liquidity with which to pay the Purchase Price of tendered Bonds which have not been remarketed upon an optional tender or mandatory tender pursuant to and in accordance with the Indenture; and

WHEREAS, in order to induce the Liquidity Bank to execute and deliver this Agreement for the Bonds, the County has agreed to enter into this Agreement; and

WHEREAS, the Trustee is directed in the Indenture to enter into this Agreement; and

WHEREAS, each of the parties hereto represents that it is duly authorized to enter into this Agreement and that its obligations hereunder are binding and enforceable.

NOW, THEREFORE, the County, the Trustee and the Liquidity Bank hereby agree as follows:

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ARTICLE I
DEFINITIONS

SECTION 1.01 Definitions.

(a) The following terms and any other capitalized terms not otherwise defined herein have the respective meanings ascribed in the Indenture:

"Authorized Denomination"

"Bond Insurance Policy"

"Bond Insurer"

"Bonds"

"Business Day"

"Closing Date"

"Note"

"Note Resolution"

"Mandatory Tender"

"Mandatory Tender Date"

"Moody's"

"Outstanding"

"Paying Agent"

"Purchased Bond"

"Purchase Price"

"Remarketing Agent"

"Remarketing Agreement"

(b) The following terms, as used herein, have the following meanings:

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"Affiliate" means, with respect to any Person, any other Person controlling, controlled by or under common control with such Person.

"Alternate Liquidity Facility" means any liquidity facility provided by a substitute Liquidity Bank and accepted by the Trustee in substitution for this Agreement in accordance with Section 4.9 of the Indenture.

"Applicable Law" means, all applicable provisions of all constitutions, statutes, rules, regulations and orders of all governmental bodies, all Governmental Approvals and all orders, judgments and decrees of all courts and arbitrators.

"Available Commitment" means, as of any day, the sum of the Available Principal Commitment and the Available Interest Commitment, in each case as of such day.

"Available Interest Commitment" initially means \$ _____ (being equal to the sum of interest at the rate of 11% per annum, computed on the basis of a 365-day or 366-day year, for a period of 35 days on the initial Available Principal Commitment) and thereafter means, as of any day, such initial amount adjusted from time to time to reflect changes in the Available Principal Commitment.

"Available Principal Commitment" initially means \$ _____ (being equal to the aggregate principal amount of Bonds Outstanding on the date hereof) and thereafter means, as of any day, such initial amount adjusted from time to time as follows:

- (a) downward by the amount of any reduction of the Available Principal Commitment pursuant to Section 2.03(a),
- (b) downward by the principal amount of any Bonds purchased by the Liquidity Bank pursuant to Section 2.02, and
- (c) upward by the principal amount of any Bonds theretofore purchased by the Liquidity Bank pursuant to Section 2.02, which are remarketed by the Remarketing Agent in accordance with the Indenture.

"Base Rate" means, for any day, a rate per annum equal to the greater of (i) the Prime Rate in effect on such day, or (ii) the Federal Funds Rate in effect on such day plus ½ of 1%. Any change in the Base Rate due to a change in the Prime Rate or the Federal Funds Rate shall be effective from and including the effective date of such change in the Prime Rate or the Federal Funds Rate, respectively.

"Change in Law" means, (a) the adoption of any law, rule or regulation after the date of this Agreement by any Governmental Authority, (b) any change in any law, rule or regulation or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement, or (c) compliance by the Liquidity Bank (or, for purposes of Section 2.08(b) of this Agreement, by any lending office of the Liquidity Bank or by the Liquidity Bank's holding

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company) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Commitment" means the Available Commitment calculated without regard to clauses (ii) and (iii) of the definition of Available Principal Commitment and the effect thereof on the amount of the Available Interest Commitment.

"Contractual Obligation" means, as to any Person, any provision of any Security issued by such Person or of any agreement, instrument or undertaking to which such person is a party or by which it or any of its Property is bound.

"Debt" of any Person means at any date (without duplication) all of the following (a) all obligations and securities of, or issued by, such Person for borrowed money; (b) all obligations and securities of, or issued by, such Person evidenced by bonds, debentures, notes or other similar instruments; (c) all obligations and securities of, or issued by, such Person to pay the deferred purchase price of property or services, except trade accounts payable under normal trade terms and which arise in the ordinary course of business; (d) all obligations and securities of, or issued by, such Person as lessee under capitalized leases; and (e) all Debt of, or issued by, other Persons upon the Guarantee by, or secured by any of the revenues or Property of, such Person.

"Default" means any condition or event that constitutes an Event of Default or that, with the giving of notice or lapse of time or both would, unless cured or waived, become an Event of Default.

"Disclosure Documents" means (i) the Official Statement, (ii) all other materials used in connection with the remarketing of the Bonds, and (iii) all amendments and supplements to any of the foregoing.

"Effective Date" has the meaning set forth in Section 3.01 hereof.

"Event of Default" has the meaning set forth in Section 8.01 hereof.

"Excluded Taxes" means, with respect to the Liquidity Bank or any other recipient of any payment to be made by or on account of any obligation of the County hereunder, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of the Liquidity Bank, in which its applicable lending office is located, and (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction in which the County is located.

"Federal Funds Rate" means, for any day, a fluctuating interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average

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of the quotations for such day on such transactions received by the Liquidity Bank from three Federal funds brokers of recognized standing selected by it.

"Financial Officer" means the chief administrative officer, the chief financial officer, principal accounting officer, treasurer or controller of the County.

"GAAP" means generally accepted accounting principles in the United States of America.

"Governmental Approval" means an authorization, permit, consent, approval, license or exemption from, registration or filing with or report to any Governmental Authority.

"Governmental Authority" means the government of the United States of America, any state or other political subdivision thereof, and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Indemnified Taxes" means Taxes other than Excluded Taxes.

"Lien" means, with respect to any Property, any lien, charge, mortgage, security interest, pledge or other encumbrance of any kind in respect of such Property or any other preferential arrangement with respect to such asset, including (without limitation) the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement relating to such Property.

"Liquidity Bankholder" means (i) the Liquidity Bank with respect to any Purchased Bond and (ii) any other Person to whom the Liquidity Bank has granted a participation so long as the Liquidity Bank is the holder of such Purchased Bond.

"Liquidity Bank Interest Rate" means, with respect to any Bond, (i) the Base Rate for any day during the period from the date such Purchased Bond is purchased by the Liquidity Bank to but excluding the earlier of (a) the date such Bond is no longer a Purchased Bond and (b) the maturity (whether by acceleration, redemption or otherwise) of such Purchased Bond, and (ii) the Base Rate plus 2% (a) on and after the maturity (whether by acceleration, redemption or otherwise) of such Purchased Bond (to the extent such Purchased Bond has not been paid in full), (b) if a Special Default occurs and is continuing or any of the events specified in Section 8.01(d) or (f) occurs and is continuing, or (c) with respect to any overdue amount, provided, however, the Liquidity Bank Interest Rate shall not exceed the lesser of 11% or the amount permitted by applicable law.

"Margin Stock" has the meaning provided such term in Regulation U of the Board of Governors of the Federal Reserve System of the United States of America or any successor thereto.

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"Material Adverse Effect" means, with respect to the County, a material adverse effect on (i) the business, assets, operations or condition, financial or otherwise, of the County taken as a whole, (ii) the ability of the County to perform any of its obligations under this Agreement the other Related Documents, or (iii) the rights of or benefits available to the Liquidity Bank under this Agreement or the other Related Documents.

"Notice of Purchase" has the meaning set forth in Section 2.02(a) hereof.

"Official Statement" means the Official Statement dated _____, 2003, issued with respect to the sale of the Bonds.

"Other Taxes" means any and all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to this Agreement.

"Parent" means any Person controlling the Liquidity Bank.

"Person" includes an individual, association, unincorporated organization, corporation, partnership, limited liability company, joint venture, business trust or a government or an agency or a political subdivision thereof, or any other entity.

"Prime Rate" means the rate of interest per annum announced from time to time by JPMorgan Chase Bank as its prime rate in effect at its principal office in New York City; each change in the Prime Rate shall be effective from and including the date such change is announced as being effective.

"Property" means, in respect of any Person, any and all rights, titles and interests in and to any and all property or assets of whatever description or kind of such Person, whether real or personal or mixed, tangible or intangible and wherever situated.

"Purchase Date" means any Business Day during the Purchase Period with respect to which the Liquidity Bank has received a Notice of Purchase pursuant to Section 2.02(a).

"Purchase Period" means the period from the Effective Date hereof to and including the earliest of (i) _____, 2003; (ii) the first Business Day following acceptance by the Trustee of an Alternate Liquidity Facility and completion of the mandatory tender required by Section 3.8 of the Indenture in connection with the delivery of such Alternate Liquidity Facility; and (iii) the date of termination of the Available Commitment pursuant to Section 2.03 hereof; *provided* that, in the case of clause (i) above, if the last day of the Purchase Period is not a Business Day, the Purchase Period shall be extended to the next succeeding Business Day.

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"Purchased Bonds" means any Bonds purchased by the Liquidity Bank pursuant to Section 2.02, which Bonds shall be Purchased Bonds from the date of such purchase by the Liquidity Bank until the remarketing thereof by the Remarketing Agent in accordance with the Indenture, or the cancellation thereof by the Trustee.

"Related Documents" means each of this Agreement, the Bond Insurance Policy, Remarketing Agreement, the Official Statement, the Indenture, the Loan Agreement and any other agreement or instrument relating to the transactions contemplated hereby or thereby.

"Related Parties" means, with respect to any specified Person, such Person's Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person's Affiliates.

"Requirement of Law" means, as to any Person, the certificate or articles of incorporation, bylaws and/or other organizational or governing documents of such Person, and any law, treaty, rule or regulation, judgment, injunction, order, decree or other determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its Property is subject.

"Resolution" means, collectively, the resolutions adopted by the Board of Supervisors of the County on November 3, 2003, and December 8, 2003.

"Responsible Officer" means, at any particular time with respect to any Person, the President, any of its Vice Presidents, any of its Managing Directors, the Secretary, the Treasurer or the Controller of such Person, duly authorized to act on behalf of such Person with respect to the matters specified.

"Special Default" means any of the events described in Sections 8.01(a), (b), (c), (g) or (h) hereof.

"Taxes" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings by any Governmental Authority.

"Termination Notice" has the meaning set forth in Section 2.03(c) hereof.

"Transactions" means the execution, delivery and performance by the County and the Liquidity Bank of this Agreement, the purchase of the Bonds and the use of the proceeds thereof.

"Trustee's Lien" means any Lien which is attributable to claims by or against the Trustee in its individual capacity other than as provided in the Indenture.

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SECTION 1.02 Accounting Terms and Determinations.

Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made and all financial statements required to be delivered hereunder shall be prepared in accordance with GAAP as in effect from time to time.

SECTION 1.03 Interpretation.

All covenants, representations and Defaults contained herein and in the Related Documents shall be given independent effect, so that if any action or condition would violate any of such covenants, would breach any of such representations or would constitute any of such Defaults, the fact that such action or condition would not violate or breach another covenant or representation or constitute another Default shall not avoid the violation of such covenant or representation or such Default.

ARTICLE II

PURCHASE OF BONDS

SECTION 2.01 Commitment to Purchase Bonds.

During the Purchase Period, the Liquidity Bank agrees, on the terms and subject to the conditions contained in this Agreement and in the Indenture, to purchase Bonds from time to time at the Purchase Price using its own funds. The principal amount (or portion thereof) of any Bonds purchased on any Purchase Date shall be in Authorized Denominations. The aggregate principal amount (or portion thereof) of any Bonds purchased on any Purchase Date shall not exceed the Available Principal Commitment on such Purchase Date. The aggregate amount of the Purchase Price comprising interest on any Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such Purchase Date or (ii) the actual amount of interest on such Bonds accrued and unpaid from and including the most recent interest payment date therefor to but excluding such Purchase Date.

SECTION 2.02 Purchases.

(a) The Trustee shall give notice to the Liquidity Bank as provided below if, on any Purchase Date, the Trustee has insufficient funds to purchase Bonds which are to be purchased on such date pursuant to the Indenture. If on any Purchase Date, the Liquidity Bank receives not later than 10:30 o'clock a.m. Jackson, Mississippi time, a telephonic notice from the Trustee confirmed in writing (such notice to be referred to herein as a "Notice of Purchase"), specifying (i) that Bonds are to be purchased by the Liquidity Bank on such Purchase Date pursuant to this Section 2.02, (ii) the aggregate Purchase Price of such Bonds, (iii) the amount of such aggregate Purchase Price comprising principal and interest, respectively, and (iv) to the knowledge of the officer of the Trustee giving the Notice of Purchase, all of the applicable conditions specified in

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Section 3.02 hereof have been satisfied, the Liquidity Bank will transfer not later than 3:00 o'clock p.m., Jackson, Mississippi time, on such Purchase Date to the Trustee, in immediately available funds, an amount equal to the aggregate Purchase Price of such Bonds.

(b) The Trustee shall cause Purchased Bonds (in a principal amount equal to the principal portion of the Purchase Price thereof) to be delivered to the Liquidity Bank in book-entry form through the Securities Depository, as promptly as practicable, but in no event later than 10 days, following purchase thereof by the Liquidity Bank.

(c) The Liquidity Bank shall have no responsibility for, or incur any liability in respect of, any act or any failure to act by the Trustee which results in the failure of the Trustee to (i) credit any separate account established for such purpose under the Indenture with funds made available to the Trustee by the Liquidity Bank pursuant to this Section 2.02, or (ii) effect the purchase for the account of the Liquidity Bank of Bonds with such funds pursuant to this Section 2.02 and the Indenture.

SECTION 2.03 Termination and Reduction of Available Commitment.

(a) Upon any redemption (whether mandatory or optional) or other payment of, or in respect of, all or any portion of the principal amount of any of the Bonds, pursuant to Section 3.4 of the Indenture or otherwise, the aggregate Available Principal Commitment shall automatically be reduced by the amount of such redemption or other payment, as the case may be.

(b) (i) If any Special Default shall occur, the Commitment shall terminate in accordance with the provisions of Section 8.02(a)(i).

(ii) If an Event of Default described in Section 8.01(d), (f) or (i) occurs, the Commitment shall suspend or terminate in accordance with the provisions of Section 8.02(a)(ii).

(c) If an Event of Default described in Section 8.01(c) occurs (except for any fees due the Liquidity Bank on the Effective Date under Section 2.05), the Liquidity Bank may deliver a notice (a "Termination Notice") regarding the termination of the Available Commitment to the County, the Trustee, the Bond Insurer and the Remarketing Agent and the Available Commitment shall terminate, and the Liquidity Bank shall have no further obligation to purchase any Bonds hereunder, effective at the close of business on the 30th day following the date such notice is received by the Trustee.

(d) The Available Commitment shall terminate on the date on which the Trustee notifies the Liquidity Bank that an Alternate Liquidity Facility acceptable to the Bond Insurer has been deposited with the Trustee and is effective and upon the completion of the mandatory tender required by Section 3.8 of the Indenture.

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(e) If the Available Commitment is terminated in its entirety, all accrued facility fees accrued pursuant to Section 2.05 hereof shall be payable on the effective date of such termination.

(f) The Liquidity Bank's obligation to purchase the Bonds prior to the termination of the Available Commitment shall be subject to the conditions specified in Section 3.02 hereof.

The County shall notify the Liquidity Bank not less than five Business Days prior to any event or occurrence that would result in a reduction of the Available Commitment pursuant to Section 2.03(a) above.

SECTION 2.04 Sale by the Liquidity Bank of Purchased Bonds; Redemption of Purchased Bonds.

(a) Right to Sell Bonds. The Liquidity Bank expressly reserves the right to sell, at any time, Bonds held by it pursuant to this Agreement. The Liquidity Bank agrees that such sales (other than sales made pursuant to subsection (c) of this Section) will be made only to institutional investors or other entities or individuals that customarily purchase commercial paper or tax-exempt securities in large denominations. The Liquidity Bank shall obtain acknowledgment from purchasers as a result of such sales that such purchaser is aware that no tender rights are applicable to such Bonds while held as Purchased Bonds. The Liquidity Bank agrees to notify the County promptly of any such sale (other than a sale made pursuant to subsection (c) of this Section).

(b) Purchase Notices. Prior to 12:00 o'clock Noon (local time in Jackson, Mississippi) on any Business Day on which the Liquidity Bank holds Purchased Bonds, any Remarketing Agent may deliver a notice (a "Purchase Notice") to the Liquidity Bank and the County stating that it has located a purchaser (the "Purchaser") for some or all of such Purchased Bonds and that such Purchaser desires to purchase on such Business Day a minimum of \$100,000 of such Purchased Bonds (or any larger multiple of \$5,000) at a price of par plus interest accrued to but excluding such Business Day.

(c) Liquidity Bank's Option to Sell and Sale of Purchased Bonds. The Liquidity Bank shall decide whether to sell any Purchased Bond(s) to any purchaser and shall give notice of such decision to the County, the Trustee and the Remarketing Agent by 12:30 o'clock p.m. (local time in Jackson, Mississippi) on the same Business Day that the Purchase Notice is received by the Liquidity Bank in accordance with subsection (b) of this Section. If the Liquidity Bank determines to sell such Purchased Bond(s) to the purchaser, the Liquidity Bank will deliver such Purchased Bond(s) to the Trustee by 1:00 o'clock p.m. (local time in Jackson, Mississippi) on such Business Day against receipt of the purchase price therefor in immediately available funds at the Liquidity Bank's address referred to in Section 9.01 hereof. Any sale of a Purchased Bond (or portion thereof) pursuant to this Section shall be without recourse to the seller and without representation or warranty of any kind. If the Liquidity Bank determines (i) to sell such Purchased Bond(s) to the purchaser as aforesaid, or (ii) to hold such Purchased Bond(s)

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and not to sell same as provided herein, then such Purchased Bond(s) shall thereafter be deemed not to be a Purchased Bond(s).

(d) Redemption of Purchased Bonds. At least sixty (60) days following the termination or expiration of the Purchase Period and until such time as Purchased Bonds are no longer Outstanding, the County agrees to cause Purchased Bonds to be redeemed on each June 1 and December 1 following the termination of the Purchase Period in ten (10) substantially equal installments of principal (each such June 1 and December 1 is a "Redemption Date"), at a redemption price equal to the principal amount of such installment plus interest accrued (on the aggregate principal amount of Purchased Bonds Outstanding) at the Liquidity Bank Interest Rate payable on the first Business Day of each calendar month to the date of redemption. Such installments of principal shall commence on the first June 1 and December 1 to occur after the termination of the Purchase Period and continue through the fourth anniversaries of each June 1 and December 1 on which such installments commenced.

SECTION 2.05 Fees.

(a) The County agrees to pay to the Liquidity Bank a facility fee, which shall accrue at the rate of . . . % per annum on the daily amount of the Available Commitment during the period from and including the Effective Date to but excluding the date on which such Available Commitment terminates. Facility fees initially shall be paid on the Business Day following the last day of March, June, September and December of each year, commencing _____, 2003, and on the date on which the Available Commitment terminates, commencing on the first such date to occur after the date hereof. The facility fee shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) All fees due and payable hereunder shall be paid on the dates due, in immediately available funds, to the Liquidity Bank. Any such fees which are due and payable shall not be refundable under any circumstances.

(c) The County agrees to reimburse the Liquidity Bank for its out-of-pocket expenses incurred in connection with the execution and delivery of this Agreement, including the fees and disbursements of counsel for the Liquidity Bank.

SECTION 2.06 Interest.

(a) Purchased Bonds. Each Purchased Bond shall bear interest on the outstanding principal amount thereof for each day that such Bond is a Purchased Bond at a fluctuating rate per annum equal to the Liquidity Bank Interest Rate, calculated on the basis of a year of 365 or 366 days, as applicable, and the actual number of days elapsed (each change in the Liquidity Bank Interest Rate to be automatically and immediately effective). Interest on each Purchased Bond shall be payable in arrears on the first Business Day of each calendar month and on the date of each sale thereof by the Liquidity Bank pursuant to Section 2.04(c) hereof.

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(b) Interest on Overdue Amounts. To the extent lawful, any overdue payment hereunder or under a Purchased Bond shall bear interest, payable on demand, for each day until paid, at a rate per annum equal to the Liquidity Bank Interest Rate for such day (each change in the Liquidity Bank Interest Rate to be automatically and immediately effective), calculated on the basis of a year of 365 or 366 days, as applicable, and the actual number of days elapsed.

(c) Determination. All interest rates hereunder or with respect to Purchased Bonds shall be calculated by the Liquidity Bank, whose determination thereof shall be conclusive and binding.

(d) Maximum Interest Rate. Nothing contained in this Agreement shall require the County to pay interest at a rate exceeding the maximum rate permitted by applicable law. If interest payable to the Liquidity Bank on any date would otherwise exceed such maximum amount, it shall be automatically reduced to the maximum permissible amount, and amounts payable to the Liquidity Bank for any subsequent period, to the extent less than that permitted by applicable law, shall, to that extent, be increased by the amount of such reduction.

SECTION 2.07 Indemnification.

(a) To the extent permitted by law, the County shall pay (i) all out-of-pocket expenses incurred by the Liquidity Bank and its Affiliates after the Effective Date, including the fees and disbursements of counsel for the Liquidity Bank, in connection with the administration of this Agreement or the preparation of any amendments, modifications or waivers of the provisions hereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Liquidity Bank, including the fees and disbursements of any counsel for the Liquidity Bank, in connection with the enforcement or protection of its rights in connection with this Agreement, including its rights under this Section 2.07, or in connection with the purchase of Bonds made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such purchase of Bonds.

(b) To the extent permitted by law, the County shall indemnify the Liquidity Bank, and each Related Party thereof (each such Person being called an "Indemnitee"), against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Purchased Bond or the use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent

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jurisdiction by final and nonappealable judgment to have resulted from the gross negligence, willful misconduct or unlawful acts of such Indemnitee.

(c) To the extent permitted by applicable law, the County shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any agreement or instrument contemplated hereby, the Transactions, any Purchased Bond or the use of the proceeds thereof.

(d) All amounts due under this Section 2.07 shall be payable not later than two Business Days after written demand therefor, except for amounts payable pursuant to this Section 2.07 which are contested in good faith by the County.

SECTION 2.08 Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, the Liquidity Bank; or

(ii) impose on the Liquidity Bank any other condition affecting this Agreement or the Bonds purchased by the Liquidity Bank;

and the result of any of the foregoing shall be to increase the cost to the Liquidity Bank of purchasing Bonds (or of maintaining its obligation to make any such purchase) or to reduce the amount of any sum received or receivable by the Liquidity Bank hereunder (whether of principal, interest or otherwise), then the County will pay to the Liquidity Bank such additional amount or amounts as will compensate the Liquidity Bank for such additional costs incurred or reduction suffered.

(b) If the Liquidity Bank determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on the Liquidity Bank's capital or on the capital of the Liquidity Bank's holding company, if any, as a consequence of this Agreement or the obligation to purchase Bonds by the Liquidity Bank to a level below that which the Liquidity Bank or the Liquidity Bank's holding company could have achieved but for such Change in Law (taking into consideration the Liquidity Bank's policies and the policies of the Liquidity Bank's holding company with respect to capital adequacy), then from time to time the County will pay to the Liquidity Bank such additional amount or amounts as will compensate the Liquidity Bank or the Liquidity Bank's holding company for any such reduction suffered.

(c) A certificate of the Liquidity Bank setting forth the amount or amounts necessary to compensate the Liquidity Bank or its holding company, as the case may be, as specified in Section 2.08(a) or (b), and setting forth in reasonable detail the basis for and calculation upon which such amount was determined, shall be delivered to the County and shall be conclusive

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absent manifest error. The County shall pay the Liquidity Bank the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of the Liquidity Bank to demand compensation pursuant to this Section 2.08 shall not constitute a waiver of the Liquidity Bank's right to demand such compensation.

SECTION 2.09 Taxes.

(a) Any and all payments by or on account of any obligation of the County hereunder shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes; *provided* that if the County shall be required to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.09) the Liquidity Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) the County shall make such deductions, and (iii) the County shall pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) In addition, the County shall pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.

(c) The County shall reimburse the Liquidity Bank, within 10 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Liquidity Bank on or with respect to any payment by or on account of any obligation of the County hereunder (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.09) and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability, and setting forth in reasonable detail the basis for determining and the calculation of the amount of such payments, delivered to the County by the Liquidity Bank shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by the County to a Governmental Authority, the County shall deliver to the Liquidity Bank the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Liquidity Bank.

SECTION 2.10 Payments Generally; Pro Rata Treatment.

(a) The County shall make each payment required to be made by it hereunder (whether of principal, interest or fees, or of amounts payable under Sections 2.07, 2.08 or 2.09, or otherwise) prior to 12:00 o'clock noon, Jackson, Mississippi time, on the date when due, in

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immediately available funds, without set off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Liquidity Bank, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Liquidity Bank at its offices specified in Section 9.01, except that payments pursuant to Section 2.07 shall be made directly to the Persons entitled thereto. The Liquidity Bank shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

(b) If at any time insufficient funds are received by and available to the Liquidity Bank to pay fully all amounts of principal, interest and fees then due from the County hereunder, such funds shall be applied (i) first, towards payment of interest and fees then due from the County hereunder, with the amounts of interest and fees then due from the County to such parties, and (ii) second, towards payment of principal then due from the County hereunder, in accordance with the amounts of principal then due from the County to such parties.

SECTION 2.11 Mitigation Obligations; Replacement of Liquidity Bank.

(a) If the Liquidity Bank requests compensation under Section 2.09, or if the County is required to pay any additional amount to the Liquidity Bank or any Governmental Authority for the account of the Liquidity Bank pursuant to Section 2.09, then the Liquidity Bank shall use reasonable efforts to designate a different lending office for purchasing the Bonds hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if (i) in the judgment of the Liquidity Bank, such designation or assignment (A) would eliminate or reduce amounts payable pursuant to Section 2.08 or 2.09, as the case may be, in the future and (B) would not subject the Liquidity Bank to any unreimbursed cost or expense and would not otherwise be disadvantageous to the Liquidity Bank, (ii) the County consents in writing to such assignment, and (iii) Moody's confirms in writing that such assignment will not adversely affect the rating then assigned to the Bonds with the consent of the Bond Insurer, which consent shall not be unreasonably withheld or delayed. The County hereby agrees to pay all reasonable costs and expenses incurred by the Liquidity Bank in connection with any such designation or assignment to which the County consents in writing.

(b) If the Liquidity Bank requests compensation under Section 2.08, or if the County is required to pay any additional amount to the Liquidity Bank or any Governmental Authority for the account of the Liquidity Bank pursuant to Section 2.07, or if the Liquidity Bank defaults in its obligation to purchase Bonds hereunder, then the County may, at its sole expense and effort, upon notice to the Liquidity Bank, require the Liquidity Bank to assign and delegate, with the consent of the Bond Insurer, which consent shall not be unreasonably withheld or delayed, without recourse, all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations; *provided* that (i) the Liquidity Bank shall have received payment of an amount equal to the outstanding principal of the Bonds purchased, accrued interest thereon,

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accrued fees and all other amounts payable to it hereunder (unless the Liquidity Bank defaults and its obligation to purchase Bonds hereunder), from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the County (in the case of all other amounts), and (ii) in the case of any such assignment resulting from a claim for compensation under Section 2.08 or payments required to be made pursuant to Section 2.09, such assignment will result in a reduction in such compensation or payments. The Liquidity Bank shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by the Liquidity Bank or otherwise, the circumstances entitling the County to require such assignment and delegation cease to apply.

(c) The Liquidity Bank may be replaced by the County if its short-term ratings are downgraded below the top two rating categories by either S&P or Moody's.

SECTION 2.12 Survival.

Without prejudice to the survival of any other agreement of the County hereunder, the agreements and obligations of the County contained in this Article II shall survive the termination of this Agreement.

ARTICLE III

CONDITIONS

SECTION 3.01 Conditions to Effectiveness.

This Agreement shall become effective on the date (the "Effective Date") on which each of the following conditions has been satisfied or waived by the Liquidity Bank, which satisfaction or waiver shall be evidenced by the signature of the Liquidity Bank's duly authorized officer below:

(a) the following shall have occurred:

(i) the Bonds were offered, issued, sold and delivered, pursuant to the Related Documents in form and substance satisfactory to the Liquidity Bank and in compliance with all applicable Requirements of Law and there are no events of default pursuant to the Indenture or any Related Documents;

(ii) the Bonds shall (A) bear a long-term rating of "Aaa" from Moody's, and (B) at the time of issuance be otherwise satisfactory to the Liquidity Bank in its sole discretion;

(iii) the Liquidity Bank shall have received, in connection with the issuance of the Bonds and the execution and delivery of the Related Documents, all opinions, certificates, agreements and other documentation

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it shall have requested (or which shall have been otherwise delivered to any Person) in connection with the issuance, sale, offering and delivery of the Bonds;

(iv) all conditions to the issuance of the Bonds and the offering, sale and delivery of the Bonds shall have been satisfied;

(v) the Indenture need not be qualified under the Trust Indenture Act of 1939, as amended;

(vi) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended; and

(vii) no entity need be registered as an investment company under the Investment Company Act of 1940, as amended.

(b) The Liquidity Bank shall have received the following, in form and substance satisfactory to the Liquidity Bank:

(i) a favorable opinion, dated such Effective Date, of the Meadows Riley Law Firm, counsel to the County, in form and substance satisfactory to the Liquidity Bank and covering such matters as the Liquidity Bank may reasonably request;

(ii) a certified copy of the bylaws of the Trustee and of the resolutions, if any, of the boards of directors of the Trustee and the Board of Supervisors of the County, authorizing the execution, delivery and performance of the applicable Related Documents (which certificate shall state that such resolutions are in full force and effect on the Effective Date);

(iii) a certified copy of all approvals, authorizations, or consents of, or notices to or registrations with, any Governmental Authority required for the County, the Trustee and the Bond Insurer to enter into the applicable Related Documents;

(iv) a certificate of a Responsible Officer of the County, the Trustee and the Bond Insurer certifying the names and true signatures of the officers of the County, the Trustee and the Bond Insurer authorized to sign the applicable Related Documents to be delivered by the County or the Trustee pursuant hereto,

(v) copy of the Bond Insurance Policy, executed and delivered by the Bond Insurer, which shall be in form and substance satisfactory to the Liquidity Bank;

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(vi) executed copies (or duplicates thereof) of the other Related Documents, each of which shall be in form and substance satisfactory to the Liquidity Bank; and

(vii) such other documents, instruments, approvals (and, if requested by the Liquidity Bank, certified duplicates of executed copies thereof) and opinions as the Liquidity Bank may reasonably request.

SECTION 3.02 Conditions to Each Purchase.

The obligation of the Liquidity Bank to purchase any Bonds hereunder on any Purchase Date is subject to receipt by the Liquidity Bank of a Notice of Purchase as required by Section 2.02 and to the following further conditions that: (i) this Agreement shall have become effective, and (ii) the Liquidity Bank shall be obligated to purchase Bonds pursuant to Section 2.01.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COUNTY

In order to induce the Liquidity Bank to enter into this Agreement and to provide the liquidity facility provided for herein, the County makes the following representations and warranties to the Liquidity Bank:

SECTION 4.01 Existence.

The County (i) is duly established and validly existing as a county under the laws of the State of Mississippi, including the State of Mississippi constitution; (ii) has all powers and material governmental licenses, authorizations, consents and approvals required to carry on its business as now conducted, (iii) has full power and authority to execute, deliver and perform its obligations under this Agreement and each Related Document to which it is a party; and (iv) has full power and authority to adopt the Resolution and perform its obligations thereunder.

SECTION 4.02 Authorization; Contravention.

The execution, delivery and performance by the County of this Agreement and each Related Document to which it is a party and the adoption of the Resolution are within the County's powers, have been duly authorized by all necessary action, require no action by or in respect of, or filing with, any governmental body, agency or official and do not violate or contravene, or constitute a default under, any provision of applicable law, charter, ordinance or regulation or of any material agreement, judgment, injunction, order, decree or other instrument binding upon the County or result in the creation or imposition of any lien or encumbrance on any asset of the County.

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SECTION 4.03 Governmental Consent or Approval.

No authorization, consent, approval, permit, license, or exemption of, or filing or registration with, any Governmental Authority that has not been obtained or issued is or will be necessary for the valid adoption, execution, delivery or performance by the County of the Resolution, the Related Documents, and this Agreement.

SECTION 4.04 Binding Effect.

This Agreement and the Related Documents constitute valid and binding agreements of the County, enforceable in accordance with their respective terms except as (i) the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and (ii) the availability of equitable remedies may be limited by equitable principles of general applicability. The payments under the Note Resolution are general obligations of the County.

SECTION 4.05 Financial Information.

(a) The audited financial statements of the County for the fiscal year 2002 fairly presents the financial position of the County at the end of such fiscal year and the results of operations for the year then ended, in conformity with generally accepted accounting principles. The County's assumptions underlying all estimates and projections contained in the Official Statement are reasonable under the circumstances described therein. The County's assumptions underlying the projected items of receipts and expenditures in the County's fiscal year 2003 and 2004 budgets are reasonable.

(b) Except as described in the Official Statement, since the last day of fiscal year 2002 there has been no material adverse change in the financial position, results of operations or prospects of the County.

SECTION 4.06 Litigation.

Except as disclosed in the Official Statement, no action, suit, proceeding or investigation is pending or (to the best knowledge of the County) threatened against or affecting the County (i) seeking to restrain or enjoin the issuance or delivery of any of the Bonds or in any way contesting or affecting the validity of any Related Document or this Agreement, or contesting the powers of the Issuer to issue the Bonds, make payments thereon under the Loan Agreement or impose and collect ad valorem taxes and other revenues expected to be used to pay principal of and interest on the Bonds, or (ii) in which a final adverse decision would adversely affect the financial condition of the County or the ability of the County to make payments under the Note Resolution or perform its obligations hereunder; or (iii) in which a final adverse decision would adversely affect the tax exempt status of the Bonds.

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SECTION 4.07 **No ERISA Plans.**

The County has never established, is not a party to and has never contributed to any "employee benefit plan" within the meaning of Section 3(3) of ERISA or any other form of bonus, incentive compensation, deferred compensation or other similar plan or arrangement other than a "governmental plan" within the meaning of Section 414(b) of the Code of Section 3(32) of ERISA.

SECTION 4.08 **No Governmental Fees.**

Neither the execution, delivery nor performance by the Liquidity Bank of this Agreement or any of the other Related Documents will give rise to any tax, including without limitation any stamp tax, or any fee of any State agency or government body in or of the State or under federal laws or regulations.

SECTION 4.09 **No Default.**

The County is not in breach of or default under any Related Document, or any law or regulation of the State or of the United States, or any judgment, decree or loan agreement, note, resolution, ordinance, agreement or other instrument to which the County is a party or is otherwise subject, the consequence or correction of which would materially and adversely affect the financial condition or operations of the County. No event, act or omission has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute an Event of Default. The County is not in default in the payment of any debt.

SECTION 4.10 **Disclosure.**

Except for information contained in the Official Statement describing the Liquidity Bank, the Securities Depository and the Bond Insurer, the Official Statement is accurate in all material respects for the purposes for which its use is, was or shall be authorized; and the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading. All information, documents, statements and certificates provided to the Liquidity Bank by or on behalf of the County in connection with the transactions contemplated by the Related Documents and the Official Statement are true and correct as of the date hereof and were provided in expectation of the Liquidity Bank's reliance thereon in executing this Agreement.

SECTION 4.11 **Tax-Exempt Status of Bonds.**

The County has not taken any action, and knows of no action that any other person has taken, which would cause interest on the Bonds to be includable in the gross income of the recipients thereof for Federal income tax purposes.

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SECTION 4.12 **Pending Litigation.**

The County knows of no legislation pending that could, if enacted, affect the validity or enforceability of this Agreement or the Related Documents, or the ability of the County to perform its obligations hereunder or under the Related Documents. No legislation has been enacted which in any way adversely affects the issuance or delivery of the Bonds or the execution, delivery or performance of this Agreement or the Related Documents or the creation, organization or existence of the County or the titles to office of any officers thereof, or the power of the County to carry out its obligations under this Agreement or the Related Documents or the ability of the County to perform its obligations hereunder or under the Related Documents.

SECTION 4.13 **Incorporation of Representations and Warranties by Reference.**

The County hereby makes to the Liquidity Bank the same representations and warranties as are set forth in the Related Documents, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to the Related Documents shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the written consent of the Liquidity Bank.

ARTICLE V

**REPRESENTATIONS AND WARRANTIES OF THE TRUSTEE AND
THE LIQUIDITY BANK**

SECTION 5.01 **Representations and Warranties of the Trustee.**

The Trustee, in its individual capacity and as Trustee (as to Section 5.01(a), (b) and (c) below) and solely as Trustee (as to Section 5.01(d) below), represents and warrants to the Liquidity Bank, as follows:

(a) The Trustee is a duly created and validly existing corporation organized under the laws of the State of Mississippi, and has full corporate power and authority (i) to own its Properties and to carry on its business as now conducted, and (ii) to execute, deliver, perform and secure its obligations hereunder and under the other Related Documents to which it is, or is to be, a party.

(b) The execution, delivery and performance by the Trustee of this Agreement and under the other Related Documents to which it is, or is to be, a party are within the Trustee's corporate powers, have been duly authorized by all necessary corporate action and do not and

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will not contravene, or constitute a default under, any Contractual Obligation or its Articles of Incorporation or Bylaws or any laws relating to its banking or trust powers.

(c) The Bonds are free and clear of all Trustee's Liens.

(d) This Agreement and the other Related Documents to which the Trustee is a party constitute, and the Related Documents to which the Trustee is to be a party upon due execution and delivery will constitute, valid and binding agreements of the Trustee enforceable in accordance with their respective terms.

The representations and warranties of the Trustee contained or incorporated herein shall be deemed repeated on, and as of, each Purchase Date and on, and as of, a quarterly basis at any time that any Purchased Bonds are held hereunder subject to any intervening changes as shall be disclosed by the Trustee.

SECTION 5.02 Representations and Warranties of the Liquidity Bank.

The Liquidity Bank represents and warrants to the County and the Trustee (both individually and as Trustee), as follows:

(a) The Liquidity Bank is a duly created and validly existing national banking association organized under the laws of the United States of America, and has full corporate power and authority (i) to own its Properties and to carry on its business as now conducted, and (ii) to execute, deliver, perform and secure its obligations hereunder.

(b) The execution, delivery and performance by the Liquidity Bank of this Agreement are within the Liquidity Bank's corporate powers, have been duly authorized by all necessary corporate action and do not and will not contravene, or constitute a default under, any Contractual Obligation or its Articles of Incorporation or Bylaws or any laws relating to its corporate powers.

(c) This Agreement constitutes a valid and legally binding agreement of the Liquidity Bank enforceable in accordance with its terms.

The representations and warranties of the Liquidity Bank contained or incorporated herein shall be deemed repeated on, and as of, each Purchase Date.

ARTICLE VI

COVENANTS OF THE COUNTY

While this Agreement is in effect and until all indebtedness hereunder shall have been paid in full and the Liquidity Bank no longer has any Available Commitment hereunder, the County agrees that:

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SECTION 6.01 Information.

The County will deliver to the Liquidity Bank:

(a) within 240 days after the end of each fiscal year, the annual report and audited financial statements of the County for such fiscal year, and as promptly as practicable after the preparation thereof each annual budget and any amendments thereto and any monthly or quarterly financial statements, and together with the delivery of such financial reports, a written description of any actions, suits and proceedings before any court or governmental department, commission, board, bureau, agency or instrumentality against the County which, if determined against the County would have a materially adverse effect on the financial condition of the County;

(b) as soon as practicable, but in any event within ten (10) Business Days after the sale of any securities by the County or on behalf of the County with respect to which an offering memorandum or official statement is prepared, one copy of such offering memorandum or official statement;

(c) forthwith upon the occurrence of any Default, a certificate of the County setting forth the details thereof and the action which the County is taking or proposes to take with respect thereto;

(d) notice of any change, suspension or termination in the ratings on the County's bonds by either Moody's or S&P forthwith upon the occurrence thereof;

(e) notice of the failure of the County to make a payment under any other indebtedness of the County;

(f) notice of any redemption, repayment or other payment or conversion to a Term Rate Mode or a fixed rate of any or all of the Bonds;

(g) notice of any proposed amendments to the Related Documents and copies of all actual amendments thereto; and

(h) from time to time such additional information regarding the financial position, results of operations of the County as the Liquidity Bank may reasonably request.

SECTION 6.02 No Amendment Without Consent of the Liquidity Bank.

Without the prior written consent of the Liquidity Bank, the County will not agree or consent to any amendment, supplement or modification of any Related Document, nor waive any provision thereof.

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SECTION 6.03 Maintenance of Remarketing Agent.

The County will at all times have (or see that the Issuer has) a Remarketing Agent with respect to the Bonds performing the duties thereof contemplated by the Indenture. The County shall appoint a Remarketing Agent to remarket the Bonds upon a conversion to the Term Rate or a fixed rate prior to notifying Bondholders of such conversion. In the event that the Remarketing Agent shall resign or be removed or be dissolved and no longer be required by the related Remarketing Agreement to continue to perform the duties thereof, or if the property or affairs of the related Remarketing Agent shall be taken under control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, the County shall promptly appoint a replacement Remarketing Agent. If the County shall not have appointed a successor Remarketing Agent, the Liquidity Bank, with the consent of the Issuer and the Bond Insurer may appoint a successor or apply to a court of competent jurisdiction for such appointment.

SECTION 6.04 Remarketing Agent.

The County shall not appoint any Person to perform the duties of the Remarketing Agent without the consent of the Liquidity Bank. Sisung Securities Corporation, New Orleans, Louisiana, has been appointed as the initial Remarketing Agent.

SECTION 6.05 Incorporation of Covenants by Reference.

The County agrees that it will perform and comply with each and every covenant and agreement required to be performed or observed by it in the Loan Agreement and the other Related Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety. To the extent that (i) any such incorporated provision permits any Person to waive compliance with or consent to such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to any Person and (ii) any such waiver or consent or acceptance of a document, opinion or other instrument would adversely affect the interests of the Liquidity Bank, for purposes of this Agreement, such provision shall be complied with only if it is waived or consented to in writing by the Liquidity Bank and such document, opinion or other instrument shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Liquidity Bank. Without the written consent of the Liquidity Bank, no amendment to such covenants and agreements or defined terms made pursuant to any Certificate or any other Related Document shall be effective to amend such covenants and agreements and defined terms as incorporated by reference herein, if such amendment would adversely affect the interests of the Liquidity Bank.

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SECTION 6.06 Conversion to Term Rate Mode, Repurchase or Redemption of Bonds or Alternate Liquidity Facility.

The County shall cause either (a) conversion of all of the Bonds to a Term Rate Mode and cause the remarketing of all of the Bonds, (b) purchase or cause the optional redemption of all Purchased Bonds; or (c) obtain a replacement for this Agreement on the date of termination of the Liquidity Bank's obligations under this Agreement. On the date of any such conversion, redemption, defeasance or replacement the County shall pay to the Liquidity Bank, only from legally available funds, an amount equal to the principal amount of any Purchased Bonds plus accrued interest thereon at the Liquidity Bank Interest Rate plus all other amounts due and owing hereunder with respect to such Bonds.

SECTION 6.07 Tax Status of the Bonds.

The County will take such actions as are necessary to maintain the tax exempt status of interest on the Bonds under the Code.

SECTION 6.08 ERISA.

The County will not establish, become a party to or contribute to any "employee benefit plan" within the meaning of Section 3(3) of ERISA or any other form of bonus, incentive compensation, deferred compensation or other similar plan or arrangement other than a "governmental plan" within the meaning of Section 414(b) of the Code and Section 3(32) of ERISA.

SECTION 6.09 Maintenance of Books and Records.

The County will keep proper books of record and account in which full, true and correct entries in accordance with generally accepted accounting principles will be made of all dealings or transactions in relation to its business and activities.

SECTION 6.10 Access to Officers, Employee or Agents.

The County will permit its officers, employees and agents to discuss with the Liquidity Bank matters pertinent to an evaluation of the credit of the County, all at such reasonable times as the Liquidity Bank may reasonably request.

SECTION 6.11 Inspection of Records.

Upon the reasonable request of the Liquidity Bank and during normal business hours and at the expense of the Liquidity Bank, the County will give the Liquidity Bank, or any counsel therefor, access to and permission to examine, copy or make excerpts from, any books, records and documents kept in the normal course of business by the County relating to the financial

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condition of the County, as allowed by law.

SECTION 6.12 Compliance with Law.

The County will comply with and observe the obligations and requirements set forth in the Code and the statutes and regulations binding upon it relating to the Bonds, this Agreement or any other Related Document.

SECTION 6.13 Proceeds of Bonds.

The proceeds of the sale of the Bonds shall be applied as described in the Official Statement. No part of the proceeds of the Bonds or any advance hereunder will be used to purchase or carry any Margin Stock or to extend credit to others for the purpose of purchasing or carrying Margin Stock.

SECTION 6.14 Taxes.

The County shall take such action as necessary to cause payment of the Note and the Bonds, including if necessary the levy of ad valorem taxes, and shall take such further action as is appropriate in order to provide for payment of any and all of its obligations hereunder.

SECTION 6.15 Further Assurances.

From time to time hereafter, the County will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Liquidity Bank may reasonably request for the purposes of implementing or effectuating the provisions of this Agreement and each of the Related Documents.

SECTION 6.16 Preservation of Existence.

The County shall preserve and maintain its existence as a county existing under the laws of the State.

SECTION 6.17 Actions.

The County shall not take any action, or cause the Trustee to take any action, under the Related Documents inconsistent with the rights of the Liquidity Bank under this Agreement including, without limitation, its obligations to make payments to the Liquidity Bank, without the prior written consent of the Liquidity Bank.

SECTION 6.18 Substitution or Replacement of Bond Insurer.

The County shall not substitute, replace or change the Bond Insurer without the prior written consent of the Liquidity Bank.

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SECTION 6.19 Licenses, Permits, Etc.

The County will take all necessary and appropriate action to ensure the continuance in force of all material consents, licenses, permits, orders, decrees, approvals, authorizations, registrations and filings obtained or made in connection with this Agreement and the Related Documents or necessary to authorize the execution, delivery and performance by the County of this Agreement or the Related Documents.

SECTION 6.20 Approval of Liquidity Bank Description.

As long as this Agreement is in effect, and until all amounts payable hereunder, including under any Bonds purchased by the Liquidity Bank, are indefeasibly paid in full, the County shall not, unless the Liquidity Bank shall otherwise consent in writing, permit the marketing of any Bonds unless the Liquidity Bank shall have approved in writing of the description of the Liquidity Bank contained in the Official Statement or other marketing document.

SECTION 6.21 Investments Generally.

The County will not:

- (a) increase or compound the dollar amount of funds available for investment by any means whatsoever including obtaining loans, issuing debt, or purchasing securities on margin, including without limitation, entering into reverse repurchase agreements or similar instruments, provided that the County may issue debt for the purpose of financing permanent improvements and may invest the proceeds of such borrowings pending application for such purpose; or
- (b) invest in any entity with investment practices including (a) above, or
- (c) invest in any instrument or execute any agreement commonly known as a derivative (such as by way of example, an inverse floater, interest rate agreement, cap or collar) or invest in any other security with a derivative embedded in it (such as by way of example structured notes); or
- (d) invest in any variable rate or floating rate security unless the interest rate therefor is determined on a basis designed to result in a value of the security approximately equal to par, provided that the County may provide liquidity for variable rate or floating rate securities issued by the County; or
- (e) materially deviate from the investment policies of the County as in effect on the date hereto.

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SECTION 6.22 Replacement of Bond Insurer.

If each of S&P and Moody's shall downgrade its rating of the financial strength of the Bond Insurer below "AA-" or "Aa3", respectively (or their equivalents), or suspend or withdraw such rating, the County shall use its best efforts to replace the Bond Insurer.

SECTION 6.23 Certain Defaults.

The County will use its best efforts to assure that the Event of Default provided in Section 8.01(g) will not occur.

ARTICLE VII

COVENANTS OF THE TRUSTEE

The Trustee covenants (in its individual capacity and as Trustee as to Section 7.02 hereof only) that during the term of this Agreement:

SECTION 7.01 Use of Proceeds.

The Trustee will assure that all proceeds of any purchase of Bonds by the Liquidity Bank pursuant to Section 2.02 hereof will be used only to pay the Purchase Price of such Bonds and that no portion of such purchase proceeds will be used, directly or indirectly, for any other purpose (including without limitation the purpose, whether immediately incidental or ultimate, of purchasing or carrying any Margin Stock).

SECTION 7.02 No Trustee's Liens.

The Trustee will use its best efforts to assure that there will never be any Trustee's Liens on the Bonds.

ARTICLE VIII

EVENTS OF DEFAULT

SECTION 8.01 Events of Default.

The occurrence of any of the following events (each, an "Event of Default") shall result in an Event of Default hereunder:

(a) the Bond Insurer shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee,

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receiver, liquidator, rehabilitator, conservator, custodian or other similar official for itself or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally, or admit in writing its inability generally, to pay its debts and claims as they become due, or shall take any action to authorize any of the foregoing;

(b) an involuntary case or other proceeding shall be commenced against the Bond Insurer and shall remain unstayed for a period of 60 days seeking liquidation, rehabilitation, conservatorship, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, rehabilitator, conservator, custodian or other similar official of it or any substantial part of its property;

(c) the Bond Insurer shall fail, wholly or partially, to make a payment when and as required under the provisions of the Bond Insurance Policy;

(d) a president or any executive vice president of the Bond Insurer shall (i) claim or assert in writing that the Bond Insurance Policy is invalid or unenforceable against the Bond Insurer or (ii) shall repudiate in writing its obligations or deny that it has any further liability under the Bond Insurance Policy;

(e) the County shall fail to pay when due any fees or other amounts payable under 95(a) hereof and such failure shall continue for a period of 10 Business Days;

(f) any governmental authority with competent jurisdiction shall announce, find or rule that the Bond Insurance Policy is null and void or otherwise invalid or unenforceable against the Bond Insurer;

(g) the Bond Insurance Policy is surrendered, canceled or terminated, or amended or modified in any material respect, without the Liquidity Bank's prior written consent;

(h) a court of competent jurisdiction enters a final nonappealable judgment that the Bond Insurance Policy is not valid and binding on or enforceable against the Bond Insurer;

(i) the validity or enforceability of the Bond Insurance Policy shall be contested in any contest or proceeding (including an appellate proceeding) directly or indirectly by the Bond Insurer or any governmental authority with competent jurisdiction and, in the case of any such contest or proceeding by a governmental authority with competent jurisdiction, the Bond Insurer shall fail to defend or assert such validity or enforceability or to appeal such contest or proceeding pursuant to appropriate proceedings or actions;

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(j) the Bond Insurer shall fail to make any debt service payment when and as required under the provisions of any other insurance policy or surety bond issued by it with respect to any other bonds, notes or other obligations unless the obligation to make such payment is being contested by the Bond Insurer in good faith by appropriate proceedings diligently pursued; or

(k) the County shall fail to pay any amount due hereunder when and as due (other than as contained in 8.01(c) above); or

(l) a default shall occur in the observance or performance of any agreement, covenant or term contained in this Agreement; or

(m) any representation, warranty, certificate or statement made by the County in this Agreement or in any certificate, financial statement or other document delivered pursuant hereto or to any of the Related Documents shall prove to have been incorrect in any material respect as at any time when made or deemed made; or

(n) the County shall be in default in the payment of any principal of or interest on any Debt if the aggregate principal amount of all such Debt or Debts as to which any such failure has occurred shall be in excess of \$10,000,000, or shall default in the performance of any covenant or agreement in any contractual obligation evidencing, securing or otherwise pertaining to any Debt, if the effect of such default is to cause any Debt the aggregate principal amount of which is in excess of \$10,000,000 to become, or to permit (or, with the giving of notice or lapse of time or both, would permit) any holder or beneficiary thereof, or a trustee or trustees on behalf thereof, with notice if required or lapse of time, or both, to declare any such Debt or Debts to be due prior to its normal maturity or of any such obligation or to terminate any undrawn commitment under any Contractual Obligation pursuant to which any such Debt could otherwise have been incurred by the County or to require that any such Debt be prepaid, repaid or purchased; or

(o) the County shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or, shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(p) an involuntary case or other proceeding shall be commenced against the County seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of

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its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 60 days; or an order for relief shall be entered against the County under the federal bankruptcy laws as now or hereafter in effect; or

(q) judgments or orders for the payment of money in excess of \$10,000,000 shall be rendered against the County and shall continue unsatisfied and unstayed for 30 days; or

(r) a default under any Related Document shall occur.

SECTION 8.02 Remedies.

Upon the occurrence of an Event of Default, the Liquidity Bank may take one or more of the following actions:

(a) (i) If any Special Default shall occur, the Commitments shall immediately terminate and the obligation of the Liquidity Bank to purchase Bonds shall immediately terminate without notice or demand and thereafter the Liquidity Bank shall be under no obligation to purchase Bonds, and promptly following such Event of Default, the Liquidity Bank shall give written notice of the same to the County, the Trustee, the Bond Insurer and the Remarketing Agent; provided that the Liquidity Bank shall incur no liability or responsibility whatsoever by reason of its failure to give such notice, and such failure shall in no way affect the termination of the Commitment and of its obligation to purchase Bonds pursuant to this Agreement;

(ii) In the case of any Event of Default specified in Section 8.01(d), (f) or (i), the obligation of the Liquidity Bank to purchase Bonds shall immediately be suspended (but not terminated) without notice to or demand on any Person and thereafter the Liquidity Bank shall be under no obligation to purchase any Bonds until the Available Commitment is reinstated as described below. Promptly upon obtaining knowledge of such Event of Default, the Liquidity Bank shall notify the County, the Trustee, the Bond Insurer and the Remarketing Agent of such suspension in writing; provided, however, that the Liquidity Bank shall not incur any liability or responsibility whatsoever by reason of the Liquidity Bank's failure to give such notice and such failure shall in no way affect the suspension of the Commitment or the obligation of the Liquidity Bank to purchase Bonds pursuant to this Agreement. If a court of competent jurisdiction shall thereafter enter a final nonappealable judgment that the Bond Insurance Policy is not valid and binding on the Bond Insurer, then the Commitment and the obligation of the Liquidity Bank to purchase Bonds shall, unless previously terminated pursuant to any other provision of this Agreement, immediately terminate without notice or demand and

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thereafter the Liquidity Bank shall be under no obligation to purchase Bonds. If a court of competent jurisdiction shall enter a final and nonappealable judgment that the Bond Insurance Policy is valid and binding on the Bond Insurer in accordance with its terms, then the Available Commitment and the obligation of the Liquidity Bank under this Agreement shall thereupon be reinstated (unless the Commitment shall otherwise have been previously terminated pursuant to any other provision of this Agreement). Notwithstanding the foregoing, if two years after the effective date of suspension of the Commitment and the obligation of the Liquidity Bank to purchase Bonds pursuant to this subsection, the Commitment has not been terminated and litigation is still pending and a final and nonappealable judgment regarding the validity and enforceability of the Bond Insurance Policy has not been obtained, then the Commitment and the obligation of the Liquidity Bank to purchase Bonds shall at such time terminate without notice or demand and, thereafter, the Liquidity Bank shall be under no obligation to purchase Bonds. A suspension pursuant to this subsection shall not in any event extend the Purchase Period or affect any other remedy under this Section 8.02.

(b) In the case of an Event of Default under Section 8.01(e), the Liquidity Bank may deliver notice to that effect to the Bond Insurer, the County, the Trustee, the Remarketing Agent and the Bondholders and, effective at the close of business on the 30th day following the date of delivery and receipt of such notice by the Trustee and the Bond Insurer, the Commitment and the obligation of the Liquidity Bank to purchase Bonds shall (unless the Commitment shall have otherwise been previously terminated pursuant to any other provision of this Agreement) terminate and the Liquidity Bank shall be under no obligation to purchase Bonds pursuant to this Agreement; provided that the Bond Insurer or the County shall have failed to pay, or caused to be paid, to the Liquidity Bank during such 30-day period all fees then payable under Section 2.05.

(c) Upon the occurrence of any Event of Default, the Liquidity Bank shall have the right to take any actions permitted by applicable law and to pursue all remedies (including, without limitation, the right to demand and receive specific performance provided at law or in equity); provided, however, that the Liquidity Bank shall not have the right to terminate the Commitment or its obligation to purchase Bonds other than as provided in subsections 8.02(a) or 8.02(b) hereof.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01 Notices.

All notices, requests and other communications to any party hereunder shall be in writing

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(including bank wire, telex, telecopy, fax or other similar means of immediate written transmission) and shall be given to such party at its address or telex or telecopy or fax number set forth below or such other address or telex or telecopy or fax number as such party may hereafter specify for the purpose by notice to the other party:

If to the County: Harrison County, Mississippi
 Post Office Drawer CC
 Gulfport, Mississippi 39502
 Attention: President of Board of Supervisors
 Telephone: (228) 865-4036
 Facsimile: (228) 868-1480

If to the Trustee: Hancock Bank
 1855 Lakeland Drive, Suite P-231
 Jackson, Mississippi 39216
 Attention: Trust and Financial Services
 Telephone: (601) 981-7452
 Facsimile: (601) 368-9457

If to the Bond Insurer: Ambac Assurance Corporation
 One State Street Plaza
 New York, New York 10005
 Attention: Surveillance Department
 Telephone: (800) 221-1854
 Facsimile: (212) 509-9190

If to the Standby Purchaser: _____

 Attention: _____
 Telephone: _____
 Facsimile _____

If to the Remarketing Agent: Sisung Securities Corporation
 World Trade Center, Suite 2440
 2 Canal Street
 New Orleans, Louisiana 70130
 Attention: Public Finance
 Telephone: (504) 544-7700
 Facsimile: _____

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If to Moody's:

Standard & Poor's
 500 N. Ackard Street, Suite 3200
 Dallas, Texas 75201
 Attention: Jeanie Yarbrough, Associate Director
 Telephone: (214) 871-1420
 Facsimile: (214) 871-1409

Each such notice, request or other communication shall be effective (i) if given by telex, when such telex is transmitted to the telex number specified pursuant to this Section 9.01 and the appropriate answer back is received, (ii) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (iii) if given by any other means, when delivered at the address specified pursuant to this Section 9.01; *provided* that notices to the Liquidity Bank under Sections 2.02 and 2.04 shall not be effective until received.

SECTION 9.02 Remedies Cumulative, No Waivers.

(a) Subject to Section 9.10, the obligations of the County and the Trustee (and the rights of the Liquidity Bank) hereunder shall not in any way be modified or limited by reference to any other document, instrument or agreement (including, without limitation, the Bonds or any other Related Document). The rights of the Liquidity Bank hereunder shall each be given independent effect and are separate from and in addition to any rights that any holder of any Bonds may have under the terms of such Bonds or any other Related Document or otherwise.

(b) No failure or delay by the Liquidity Bank in exercising any right, power or privilege hereunder or under the Bonds or any other Related Documents shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein and in the Related Documents provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 9.03 Amendments and Waivers.

Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by the County, the Trustee and the Liquidity Bank.

SECTION 9.04 Successors and Assigns.

The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns except that (other than in the case of a successor trustee under any Supplemental Indenture) neither the County nor the Trustee may assign or otherwise transfer any of its rights or obligations under this Agreement without the written consent of the Liquidity Bank and the Liquidity Bank may only assign or otherwise transfer its obligations under this Agreement pursuant to compliance with Section 4.9 of the Indenture.

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SECTION 9.05 **Term of this Agreement, Extensions.**

The term of this Agreement, unless extended by the Liquidity Bank, shall be until the later of (i) the last day of the Purchase Period, and (ii) payment in full of all amounts due or to become due the Liquidity Bank hereunder. Not less than 45 nor more than 90 days prior to the last day of the Purchase Period, the County may by notice to the Liquidity Bank request that the Purchase Period be extended by such period of at least one year as specified in such request and upon terms and conditions to be agreed upon by the County and the Liquidity Bank in their respective sole and absolute discretion. The Liquidity Bank shall notify the County of its decision within 30 days of receipt of such notice from the County, it being understood and agreed that the failure of the Liquidity Bank to notify the County of any decision within such 30-day period shall be deemed to be a rejection of such request and that the Liquidity Bank shall not incur any liability or responsibility whatsoever by reason of its failure to notify the County of its decision within such 30-day period. If the Purchase Period is so extended, the County may request further extensions on the terms provided above.

SECTION 9.06 **Governing Law.**

This agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Mississippi.

SECTION 9.07 **Counterparts.**

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 9.08 **Beneficiaries.**

This Agreement is made solely for the benefit of the County, the Trustee, the Issuer, the Liquidity Bank, the Bond Insurer and the holders of the Bonds and their respective successors and assigns, and no other Person shall have any right, benefit or interest under or because of the existence of this Agreement.

SECTION 9.09 **Obligations Reinstated.**

In the event that any amount credited against the County's payment obligations hereunder (or paid hereunder) shall for any reason be required to be restored or returned under, or by reason of, the bankruptcy or insolvency of any Person, the County's obligations hereunder shall be reinstated as if such credit and/or payment had never occurred.

SECTION 9.10 **Obligations Absolute.**

The obligations of the County and the Trustee hereunder are absolute and unconditional, and shall be paid and performed without setoff or diminution, under any and all circumstances whatsoever, including without limitation the invalidity or unenforceability of any of the Bonds;

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the bankruptcy, insolvency or default of any Person; complete failure of consideration or frustration of purpose; or any other circumstances or condition of any kind or description.

SECTION 9.11 Right of Setoff.

Only if a Special Default has occurred and if the County is in default of any of its respective payment obligations hereunder, the Liquidity Bank and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by the Liquidity Bank or Affiliate to or for the credit or the account of the County against any of and all the obligations of the County now or hereafter existing under this Agreement held by the Liquidity Bank, irrespective of whether or not the Liquidity Bank shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of the Liquidity Bank under this Section 9.11 are in addition to other rights and remedies (including other rights of setoff) which the Liquidity Bank may have.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, the parties hereto have caused this Standby Bond Purchase Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

HARRISON COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

HANCOCK BANK,
as Trustee

By: _____
Vice President and Trust Officer

BANK ONE, NATIONAL ASSOCIATION

By: _____
Title: _____

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EXHIBIT A
FORM OF TERMINATION NOTICE

§ _____
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2003
(MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI 2003
REFUNDING PROJECT)

Date: _____

Hancock Bank,
As Trustee
1855 Lakeland Drive, Suite P-231
Jackson, MS 39216
Attention: Trust and Financial Services

Harrison County
P.O. Drawer CC
Gulfport, Mississippi 39502
Attention: President, Board of Supervisors

Ladies and Gentlemen:

The undersigned hereby notifies you that an "Event of Default" under the Standby Bond Purchase Agreement with respect to the above-referenced Bonds, dated December 23, 2003 (the "Liquidity Facility"), among Harrison County, Mississippi, Hancock Bank, as Trustee, and Bank One, National Association, as Liquidity Bank, has occurred and is continuing.

The undersigned hereby further notifies you that it has elected to require a Mandatory Tender pursuant to Section 3.8 of the Indenture and Section 2.03(c) of the Liquidity Facility.

All capitalized terms used herein shall have the meanings assigned to them in the Liquidity Facility.

BANK ONE, NATIONAL ASSOCIATION,
as Liquidity Bank

By: _____
Name: _____
Title: _____

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EXHIBIT G
FORM OF ADMINISTRATION AGREEMENT

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ADMINISTRATION AGREEMENT

MISSISSIPPI DEVELOPMENT BANK
MSLOAN PROGRAM - HARRISON COUNTY, MISSISSIPPI

THIS ADMINISTRATION AGREEMENT (the "Agreement"), dated December 23, 2003, is made and entered into by and between the **MISSISSIPPI DEVELOPMENT BANK** (the "Issuer"), **HARRISON COUNTY, MISSISSIPPI** (the "County") and **HOLLEY, GRUBBS, MITCHAM & PHILLIPS**, a Mississippi corporation (the "Administrator"), as acknowledged and accepted by **HANCOCK BANK**, Gulfport, Mississippi, as Trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Issuer is authorized by Section 31-25-1 et seq. of the Mississippi Code of 1972, as amended and supplemented from time to time (the "Act") to among other things, cooperate with local governmental units (as defined in the Act) of the State of Mississippi in the exercise of their powers, including, among other things, their powers to borrow money and finance or refinance projects; and

WHEREAS, pursuant to the Act, the Issuer may issue its special obligation bonds for the purpose of financing or refinancing projects and as security for the payment of the principal of, and the interest on, any such bonds so issued, to pledge amounts from any loans made by the Issuer; and

WHEREAS, in order to assist local governmental units in financing or refinancing projects, the Issuer has established the MSLoan Program - Harrison County, Mississippi (the "Program") and has agreed to authorize, issue, sell and deliver its Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project) (the "Bonds") in the aggregate principal amount not to exceed \$15,000,000 for the County under the program; and

WHEREAS, the proceeds of the sale of Bonds will be used purpose of providing a loan to the County for the purpose of (i) providing funds for the current refunding and prepayment of the County's outstanding \$15,000,000 Harrison County, Mississippi, Promissory Note, dated December 18, 2000 (the "Refunding Project"), (ii) funding a debt service reserve fund for the Bonds, and (iii) paying the costs of issuance of the Bonds and the Note, as hereinafter defined (together, the "Project"); and

WHEREAS, the Issuer has determined that the Program has required, and will require in the future, that certain services be performed to provide assistance to the County and coordinating the terms of the Program as more fully set forth hereinafter; and

WHEREAS, the Administrator's principal consultants have experience and expertise in providing consultation, information, and representation in connection with the services and requirements of the Administrator as set forth herein; and

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WHEREAS, all acts, conditions, and things required by the Constitution and laws of the State of Mississippi to happen, exist, and be performed precedent to, and in the execution and delivery of, this Agreement have happened, do exist, and have been performed as so required in order to make this Agreement valid and binding in accordance with its respective terms.

NOW THEREFORE, the parties agree as follows:

In consideration of the respective representations and agreements hereinafter contained, the Parties agree as follows, provided that any obligation of the Issuer created by or arising out of this Agreement shall not constitute an indebtedness, debt, pecuniary liability, or loan of credit of the Issuer, or any of its officers or directors, or the State of Mississippi or any political subdivision thereof, or a charge against the general credit or taxing powers, if any, of any of the foregoing, within the meaning of any constitutional or statutory provision, but shall be payable solely and exclusively from the Revenues (as such term is defined in the Indenture):

Section 1. Definitions. All capitalized works and terms of this Agreement shall have the same meaning as set forth in definitions in the Loan Agreement executed by and between the Issuer and the County (the "Loan Agreement"), and the Trust Indenture executed by and between the Issuer and the Trustee (the "Indenture"), such definitions to be applied as if such were stated verbatim herein.

Section 2. General Covenants.

2.1 Compliance with Program. The Administrator hereby agrees that it will perform all of the duties and actions required to be performed under this Agreement by the Administrator and that it will take no actions to cause a breach or other failure of performance by the Issuer, the Trustee or the County of their respective covenants, conditions, pledges or obligations under the Indenture or the Loan Agreement.

2.2 Authorized Officer. The Administrator shall designate and maintain an Authorized Officer through which it shall receive all notices, certificates, opinions, applications, and reports; provide all notices, certificates and instructions; carry out general communications; and perform the aforesaid and other duties and take such actions as may from time to time be required under the Indenture, the Loan Agreement (on behalf of the County), or this Agreement.

Section 3. Duties of the Administrator. In connection with the administration of the Program, the Administrator shall perform the following services for the County, with the assistance of the Standby Bond Purchaser, Issuer and Trustee as applicable:

- (a) Consult with the County and monitor variable rates on an ongoing basis;
- (b) Provide semi-annual reports to the County on the rates of financing variable versus fixed rate;
- (c) Review remarketing agent performance in setting variable rate levels to ensure rates are in line with the market;

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(d) Timely report to the Trustee, the Issuer and the Standby Bond Purchaser any information of which the Administrator has actual knowledge concerning the condition of the County that could potentially cause a Default;

(e) Provide information requested by the Trustee and the County to enable the Trustee and the County to comply with the requirements of continuing disclosure, including the requirements of Rule 15(c)-12 of the Securities and Exchange Commission; and

(f) Timely review and approval applications for disbursements by the Trustee.

Section 4. Other Duties. From the money available hereto under the Indenture, the Administrator shall perform all duties and shall perform all acts required to be performed by the Administrator as set forth in the Indenture and the Loan Agreement. Further, the Administrator shall perform such additional duties of the Issuer as may be assigned in writing by the Issuer and approved by the Standby Bond Purchaser and Trustee.

Section 5. Compensation. From the money available therefor under the Indenture the Administrator shall receive, as compensation for its services hereunder during the term hereof, a sum equal to twelve and one-half (12.5) basis points per annum of the aggregate amount of the Bonds to be paid on the first business day of March, June, September and December. Such service as Administrator shall be for a term coincidental with the effective term of the Indenture but subject to termination by the Issuer for cause, with approval of the Standby Bond Purchaser. The Trustee shall compute and collect the Administrator's compensation as part of the interest rate paid by the County to the Trustee under the terms of the Trust Indenture and the Loan Agreement.

Section 6. Miscellaneous.

6.1 Liability. Notwithstanding anything herein to the contrary, the Administrator shall not be liable for the truth or accuracy of any of the information contained in any Loan/Bond Application or supporting document furnished by the County. In addition, the Administrator shall have no responsibility for or liability in connection with the distribution of any of the Bond proceeds or the repayment thereof. The Administrator's sole liability shall be to the County for the proper performance of its duties as herein specified.

6.2 No Recourse against Incorporators, Members, Directors or Officers of Administrator. No recourse under, or upon any statement, obligation, covenant, or agreement contained in, this Agreement, the Indenture, any Bond or the Loan Agreement, or under any judgment obtained against the Administrator or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise under or independent of this Agreement, the Indenture, any Bond or the Loan Agreement shall be had against any incorporator, member director, office, employee or agent, as such, past, present or future, of the Administrator, either directly or indirectly, for the payment for or to the Issuer or any receive thereof, or for or to the Trustee or the owner of any Bond or otherwise of any sum that may be due, adjudged, or awarded by reason of the Administrator's failure to perform any duty or obligation required to be performed from time to time hereunder, under the Indenture or under the Loan Agreement, or of any sum that may be due and unpaid by the Issuer upon any

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Bond. Any and all personal liability of every nature, whether at common law or in equity or by statute, constitution or otherwise, of any such incorporator, member, director, officer, employee, or agent, as such, to respond by reason of any act or omission on his or her part or otherwise for, directly or indirectly, the payment for or to the Issuer or any receive thereof, or for or to the Trustee or the owner of any bond or otherwise, of any sum that may be due, adjudged, or awarded by reason of the Administrator's failure to perform any duty or obligation required to be performed from time to time hereunder, or any sum that may remain due and unpaid upon the Bonds, or the interest payable thereon, is hereby expressly waived and released as a condition of, and in consideration for, the execution of this Agreement.

6.3 Default and Remedies. If the Administrator fails to observe or perform any covenant, condition or agreement contained in this Agreement to be observed or performed by it, then the Issuer may take whatever action at law or in equity may appear necessary or desirable to enforce such observance or performance, including but not limited to an action for specific performance. The parties acknowledge that this Agreement is one for services that are unique and that damages for non-performance hereunder would be inadequate to compensate the parties for such non-performance.

6.4 Assignment. This Agreement may be assigned or delegated by the Administrator with the consent of the parties.

6.5 Amendment. This Agreement may be modified or amended by written consent of the parties.

[Signature page to follow.]

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IN WITNESS WHEREOF, the Issuer, the County and the Administrator have each caused this Administration Agreement to be executed by its duly authorized officers, all as of the date set forth above.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Bill Barry, Executive Director

HOLLEY, GRUBBS, MITCHAM &
PHILLIPS

By: _____
Stephen H. Holley, President

HARRISON COUNTY, MISSISSIPPI

By: _____
President, Board of Supervisors

Signature page for Administration Agreement, dated December 23, 2003, by and among, the Mississippi Development Bank, Harrison County Board of Supervisors and Holley, Grubbs, Mitcham & Phillips, as acknowledged and accepted by Hancock Bank, Gulfport, Mississippi.

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ACKNOWLEDGED AND ACCEPTED BY:

HANCOCK BANK
GULFPORT, MISSISSIPPI
AS TRUSTEE

By: _____
Authorized Signatory

Signature page for Administration Agreement, dated December 23, 2003, by and among, the Mississippi Development Bank, Harrison County Board of Supervisors and Holley, Grubbs, Mitcham & Phillips, as acknowledged and accepted by Hancock Bank, Gulfport, Mississippi.

JACKSON 822867V1

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EXHIBIT II
FORM OF TAX INTERCEPT AGREEMENT

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TAX INTERCEPT AGREEMENT

This Tax Intercept Agreement, dated the 23rd day of December, 2003 (the "Agreement"), is by and between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic (the "Bank"), created pursuant to the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (hereinafter referred to as the "Act") having its principal place of business in the City of Jackson, Mississippi and **HARRISON COUNTY, MISSISSIPPI** (hereinafter referred to as the "County"), a local governmental unit under the Act.

WITNESSETH

WHEREAS, pursuant to the Act, the Bank is authorized to loan money (as set forth in the Act) to local governmental units (as defined in the Act); and

WHEREAS, the County has duly authorized the loan between the Bank, and the County (the "Loan") pursuant to the terms of a loan agreement between the County, and the Bank (the "Loan Agreement") secured by a Promissory Note (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), dated December 23, 2003, of the County, in the principal amount of _____ Dollars (\$ _____) (the "Series 2003 Note") of the County; and the Bank expects to provide the funds for the Loan from the proceeds of the Series 2003 Bonds of the Bank as hereinafter set forth; and

WHEREAS, pursuant to the Indenture of Trust, dated December 23, 2003, between Mississippi Development Bank and Hancock Bank, Jackson, Mississippi, as Trustee (the "Trustee") (the "Indenture"), the Bank has duly authorized the issuance of its bonds designated the \$ _____ Mississippi Development Bank Special Obligation Bonds, Series 2003 (MSLoan Program - Harrison County, Mississippi 2003 Refunding Project), dated December 23, 2003 (the "Series 2003 Bonds"), a portion of the proceeds of which will be used to provide the funds for the Loan between the Bank and the County; and

WHEREAS, any local governmental unit is authorized under Sections 31-25-27 and 31-25-28 of the Act to agree in writing with the Bank that the Mississippi State Tax Commission or any other state agency, department or commission shall (a) withhold all or any part (as agreed by the local governmental unit) of any monies which such local governmental unit is entitled to receive from time to time pursuant to any law and which is in the possession of the Mississippi State Tax Commission, or any state agency, department or commission created pursuant to State law and (b) pay the same over to the Trustee to satisfy any delinquent payments on any loan made to such local governmental unit under provisions of the Act and any other delinquent payments due and owing the Bank by such local governmental unit, all as the same shall occur.

NOW, THEREFORE, the Bank and the County agree:

1. As authorized by the Act, the County hereby covenants, agrees and authorizes the Mississippi State Tax Commission or any other state agency, department or commission created pursuant to State law to (1) withhold all or any part of any monies (the "Tax Monies") within the County which the County is entitled to receive from time to time pursuant to any law and which is in possession of the Mississippi State Tax Commission or any other state agency, department or commission created pursuant to State law and (2) pay same over to the Trustee to satisfy any

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delinquent payment (the "Delinquent Payment") under Section 4.2 and 4.4(5) of the Loan Agreement.

2. If on the first day of each month, commencing February 1, 2004, there will not be sufficient amounts to make the payments under Section 4.2 and 4.4(5) of the Loan Agreement, the Bank hereby authorizes and directs the Trustee under the provisions of this Agreement to file the Agreement and a statement of deficiency setting forth the amount of any Delinquent Payment with the Mississippi State Tax Commission or other state agency, department or commission, thereby directing the Mississippi State Tax Commission or other state agency, department or commission to pay any Tax Monies directly to the Trustee, on behalf of the Bank, to satisfy any Delinquent Payment, all as permitted under the Act. In any event, if the County fails to make timely payments under the Loan Agreement and the Note, as provided in Section 4.2 and 4.4(5) of the Loan Agreement, the Trustee is hereby further directed to file this Agreement with the Mississippi State Tax Commission and take further action to recover Tax Monies under the Indenture. This paragraph 2 includes requirements in addition to the requirements under paragraph 1 and this paragraph 2 in no way limits the rights of the Trustee or the Bank.

3. The Trustee is directed under the Indenture to deposit any Tax Monies it receives into the appropriate account of the General Fund or the Debt Service Reserve Fund to be applied in accordance with Section 4.1 under the Indenture.

4. The term Tax Monies as defined herein shall include only taxes and/or other monies with respect to the County and exclude any monies held by the Mississippi State Tax Commission or any other state agency, department or commission created pursuant to State law to the extent amounts are to be paid to the County for the benefit of a separate school district or any other political subdivision other than the County.

5. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute one and the same instrument. The Bank and County each agree that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Agreement.

6. No waiver of either the Bank or the County of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Agreement.

7. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the Bank and the County relating to the subject matter hereof and constitutes the entire Agreement between the Bank and the County in respect hereof. Terms not otherwise defined herein shall have the meanings as defined in the Loan Agreement.

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IN WITNESSETH WHEREOF, we have hereunto set our hands as of the date first above written.

MISSISSIPPI DEVELOPMENT BANK

BY: _____
Executive Director

ATTEST:

Secretary

Signature Page to Tax Intercept Agreement, dated December 23, 2003, between the Mississippi Development Bank and Harrison County, Mississippi.

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BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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HARRISON COUNTY, MISSISSIPPI

BY: _____
President, Board of Supervisors

ATTEST:

Chancery Clerk

Signature Page to Tax Intercept Agreement, dated December 23, 2003, between the Mississippi Development Bank and Harrison County, Mississippi.

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ACCEPTED BY:

HANCOCK BANK
JACKSON, MISSISSIPPI
AS TRUSTEE

BY: _____
Vice President and Trust Officer

Signature Page to Tax Intercept Agreement, dated December 23, 2003, between the Mississippi Development Bank and Harrison County, Mississippi.

JACKSON 811091v1

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The Board of Supervisors of Harrison County, Mississippi (the "County"), acting for and on behalf of the County, took up for consideration the matter of requesting and authorizing an eighth advance under the loan between the Mississippi Development Bank and the County dated as of December 18, 2000, and other related matters. After a discussion of the subject, Supervisor HARRY BENEFIELD offered and moved for the adoption of the following resolution:

RESOLUTION OF THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI (THE "COUNTY"), AUTHORIZING AN EIGHTH ADVANCE UNDER THAT CERTAIN LOAN AGREEMENT DATED AS OF DECEMBER 18, 2000, BY AND BETWEEN THE MISSISSIPPI DEVELOPMENT BANK AND THE COUNTY (THE "LOAN AGREEMENT"); APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE FIRST AMENDMENT TO THE LOAN AGREEMENT; AND FOR RELATED PURPOSES.

WHEREAS, through its Resolution dated May 1, 2000, the Board of Supervisors of the County approved a loan from the Mississippi Development Bank to the County in an amount not to exceed \$15,000,000 (the "Loan") pursuant to the terms and conditions of that certain Loan Agreement dated as of December 18, 2000 (the "Loan Agreement"), by and between the Mississippi Development Bank and the County;

WHEREAS, on December 20, 2000, the County received the first advance under the Loan in the amount of \$1,200,000;

WHEREAS, on August 31, 2001, the County received the second advance under the Loan in the amount of \$2,047,473.16;

WHEREAS, on September 17, 2001, the County received the third advance under the Loan in the amount of \$875,026.03;

WHEREAS, on June 7, 2002, the County received the fourth advance under the Loan in the amount of \$2,517,088.68;

WHEREAS, on September 30, 2002, the County received the fifth advance under the Loan in the amount of \$1,020,748.63;

WHEREAS, on March 14, 2003, the County received the sixth advance under the Loan in the amount of \$1,551,723.60;

WHEREAS, on July 24, 2003, the County received the seventh advance under the Loan in the amount of \$749,843.54;

WHEREAS, there has been presented to the Governing Body of the County a First Amendment to the Loan Agreement (the "First Amendment"), to be dated as of December 1, 2003, the adoption of which is to be considered by the Mississippi Development Bank (the "Bank") at its December 17, 2003 meeting;

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WHEREAS, the Board of Supervisors of the County now finds it necessary to approve the execution and delivery of the First Amendment to the Loan Agreement, subject to the Bank's approval of same;

WHEREAS, the Board of Supervisors of the County now finds it necessary to approve the eighth advance under the Loan for the purpose of financing the purchase of Gullport's infrastructure and paying fees for engineering, legal and architectural services incurred in connection with the establishment of the Enhanced 911 service building and system (the "Project");

WHEREAS, pursuant to Mississippi Code § 31-25-27, the County is authorized to request an advance under the Loan to raise money for the Project;

WHEREAS, pursuant to Section 3.02 of the Loan Agreement, the minimum Request for Advance shall be in the amount of \$100,000; and

WHEREAS, the Board of Supervisors of the County approve the Request for Advance, as set forth in Exhibit "B" to be used with this advance under the Loan.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI:

SECTION 1. The form and terms of the First Amendment to the Loan Agreement, attached hereto as Exhibit "C" are hereby approved in substantial form and the President of the Board of Supervisors and the Chancery Clerk of the County are hereby authorized to execute same, subject to the Bank's approval of same at its meeting on December 17, 2003.

SECTION 2. The Board of Supervisors of the County hereby finds that it is necessary and in the public interest to request an advance of Five Million Thirty-eight Thousand One Hundred Five and 36/100 Dollars (\$5,038,105.36) under the Loan to raise money for the Project.

SECTION 3. The Board of Supervisors of the County hereby authorizes and approves the eighth advance under the Loan in the amount of Five Million Thirty-eight Thousand One Hundred Five and 36/100 Dollars (\$5,038,105.36), for the Project.

SECTION 4. The Request for Advance, attached hereto as Exhibit "B" is hereby approved and the President of the Board of Supervisors and the Chancery Clerk of the County are hereby authorized and directed to execute the Request for Advance.

SECTION 5. The disbursement by the Trustee of the eighth advance to the County shall be noted on Schedule I of the Promissory Note. The repayment of the principal amount of the eighth advance shall be payable in monthly installments which shall be set forth on Schedule II of the Promissory Note. The term for repayment of the amount advanced hereunder shall not exceed twenty (20) years.

SECTION 6. The Board of Supervisors hereby directs the Chancery Clerk to receive the funds of the eighth advance in the amount of \$5,038,105.36 authorized herein, and to deposit the

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proceeds into the 2000 E-911 Project Fund authorized and established in the First Amendment to the Loan Agreement.

SECTION 7. The Board of Supervisors of the County authorizes and directs the Chancery Clerk to establish the 2000 E-911 Project Fund as authorized in the First Amendment to the Loan Agreement.

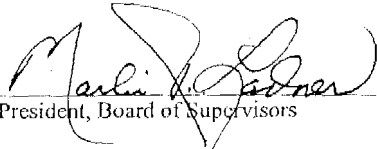
SECTION 8. The President of the Board of Supervisors and the Chancery Clerk of the County are hereby authorized and directed for and on behalf of the County to take any and all such action as may be required by the County to carry out and give effect to the aforesaid documents authorized pursuant to this Resolution and to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this Resolution in order to evidence the authority.

SECTION 9. The Board of Supervisors hereby approves the Schedule of Principal Installments, as set forth in **Exhibit "A"**, for the eighth advance under the Loan to be attached to the Promissory Note entered into by the County on December 18, 2000.

Supervisor CONNIE ROCKCO seconded the motion to adopt the foregoing Resolution and, the question being put to a roll call vote, the result was as follows:

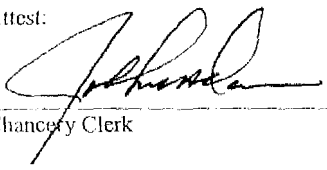
Supervisor Bobby Eleuterius	voted: <u>AYE</u>
Supervisor Larry Benefield	voted: <u>AYE</u>
Supervisor Marlin Ladner	voted: <u>AYE</u>
Supervisor William Martin	voted: <u>(ABSENT & EXCUSED)</u>
Supervisor Connie Rockco	voted: <u>AYE</u>

The motion having received the affirmative vote of a majority of the members present, the President of the Board of Supervisors declared the motion carried and the Resolution adopted, on this the 8th day of December, 2003.



 President, Board of Supervisors

Attest:



 Chancery Clerk

(SEAL)

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EXHIBIT A
SCHEDULE OF PRINCIPAL INSTALLMENTS

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SCHEDULE II

SCHEDULE OF PRINCIPAL INSTALLMENTS

Draw #8 - monthly principal payments of \$20,990.00 for first 239 months with monthly principal payment of \$21,495.36 for remaining one (1) month.

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EXHIBIT B
REQUEST FOR ADVANCE

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REQUEST FOR ADVANCE

The undersigned, the duly authorized President of the Board of Supervisors of Harrison County, Mississippi (the "Borrower"), submits this Request for Advance on behalf of the Borrower for Five Million Thirty-eight Thousand One Hundred Five and 36/100 Dollars (\$5,038,105.36) pursuant to Section 3.02 of that certain Loan Agreement by and between the Mississippi Development Bank (the "Issuer") and the Borrower dated as of December 18, 2000, as amended by the First Amendment to Loan Agreement dated as of December 1, 2003 (together, the "Loan Agreement"), and relating to the Issuer's Capital Projects and Equipment Acquisition Program (the "Program"). The Trustee shall disburse the amount requested herein for deposit into the 2000 E-911 Project Fund established and maintained by the County and to pay other costs and expenses related to this Advance. The amount of this advance will be \$5,038,105.36 and the term for repayment of amounts advanced hereunder shall not exceed twenty-five (25) years. All amounts on deposit in the 2000 E-911 Project Fund will be used solely to finance, re-finance, or reimburse the County for the Costs of the Project, as provided in the Resolution and the Tax Exemption Agreement.

The name, address and employer identification number of the Initial Principal User (the "Initial Principal User") of the Projects is as follows:

Harrison County, Mississippi
Courthouse
1801 23rd Avenue
Gulfport, Mississippi 39501
Employer I.D. No. 64-6000425

The undersigned, on behalf of the Borrower, hereby certifies that:

1. The Borrower is a political subdivision validly existing and in good standing under the laws of the State of Mississippi, with full power and authority to own its properties and conduct its business as presently owned and conducted, is qualified to do business in the State of Mississippi and, to the best of our knowledge, after due inquiry, is not in violation of any laws material to the transactions contemplated by the Loan Agreement, this Request for Advance, or any provisions of law material to the transactions contemplated by the Loan Agreement and this Request for Advance, and has all requisite corporate power and authority to execute and deliver this Request for Advance.
2. The Borrower will obtain all necessary permits, licenses and certifications to continue the conduct of its business and to undertake the actions that will be financed from the funds to be disbursed hereunder.
3. The Loan Agreement and the Note (as defined in the Loan Agreement) are in full force and effect and continue to be valid, enforceable and legally binding obligations of the Borrower, enforceable in accordance with their respective terms, except to the extent that the enforceability thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally and the Borrower has received all consents, approvals and authorizations of governmental authorities or agencies required for incurring the debt

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represented by such documents, including amounts which will become outstanding pursuant to this Request for Advance, and/or the continued performance of such documents.

4. There is no litigation or legal or governmental action, proceeding, inquiry or investigation pending or, to the best knowledge of the undersigned after due inquiry, threatened by governmental authorities to which the Borrower is a party or of which any property of the Borrower is subject which, if determined adversely to the Borrower, individually or in aggregate (i) affect the validity or enforceability of the Loan Agreement or the Note (as defined in the Loan Agreement) or (ii) otherwise materially and adversely affect the ability of the Borrower to comply with its obligations under the Loan Agreement or the Note (as defined in the Loan Agreement).

5. The representations and warranties of the Borrower set forth in the Loan Agreement are true and correct on the date hereof; and the Borrower is in compliance with all terms, covenants and conditions of the Loan Agreement on the date hereof.

6. The Borrower does not plan to use, or permit the use of, the Project except as permitted by the Loan Agreement.

[remainder of page intentionally left blank]

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IN WITNESS WHEREOF, the undersigned have hereunto set their hands and affixed the corporate seal of the Borrower, duly attested this 23rd day of December, 2003.

HARRISON COUNTY, MISSISSIPPI

[SEAL]

By: _____
Title: President, Board of Supervisors

ATTEST:

By: _____
Title: Chancery Clerk

JACKSON #29105V1

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EXHIBIT C
FORM OF
FIRST AMENDMENT TO THE LOAN AGREEMENT

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FIRST AMENDMENT
TO
LOAN AGREEMENT

BETWEEN

MISSISSIPPI DEVELOPMENT BANK

AND

HARRISON COUNTY, MISSISSIPPI

Acknowledged and Accepted by:

HANCOCK BANK, as Trustee
GULFPORT, MISSISSIPPI

and

Related to:

\$15,000,000 LOAN FROM
MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 1999A
(CAPITAL PROJECTS AND EQUIPMENT ACQUISITION PROGRAM)

DATED AS OF: December 1, 2003

The interest of the Mississippi Development Bank in this First Amendment to Loan Agreement has been assigned to Hancock Bank, as Indenture Trustee, in Gulfport, Mississippi.

This instrument drafted by:
BUTLER, SNOW, O'MARA, STEVENS & CANNADA, PLLC
Attorneys at Law
210 East Capitol Street
ArmSouth Plaza, 17th Floor
Jackson, Mississippi 39201

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THIS FIRST AMENDMENT TO LOAN AGREEMENT, dated as of December 1, 2003 (the "First Amendment to Loan Agreement"), is between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic of the State of Mississippi (the "Issuer") exercising essential public functions (the "Bank" or "Issuer") and organized under the provisions of Mississippi Code of 1972, Sections 31-25-1 et seq. (as from time to time amended, the "Act") and **HARRISON COUNTY, MISSISSIPPI**, a political subdivision organized and validly existing under the Constitution and laws of the State of Mississippi (the "Borrower").

RECITALS:

- A. The Issuer is authorized by the Act, among other things, to assist in financing and refinancing the construction of public works and infrastructure and the acquisition of equipment and rolling stock ("Projects") by Local Governmental Units, such as the County, in the State of Mississippi (the "State").
- B. Pursuant to the Act, and in order to encourage financing or refinancing such Projects by Local Governmental Units, which the Issuer believes to be in the public interest and for the benefit of the health and safety of the citizens of the State, the Issuer is authorized to issue its revenue bonds and loan the proceeds of such revenue bonds to such Local Governmental Units (the "Program").
- C. The Issuer has issued its Mississippi Development Bank Special Obligation Bonds, Series 1999A (Capital Projects and Equipment Acquisition Program), dated as of May 1, 1999, pursuant to that certain Indenture of Trust by and between the Issuer and Hancock Bank, as Trustee, dated as of May 1, 1999 (the "Indenture").
- D. The Issuer and the Borrower entered into that certain Loan Agreement dated as of December 18, 2000 whereby the Issuer loaned the Borrower \$15,000,000 to assist the Borrower in financing or refinancing Projects.
- E. In compliance with the terms and provisions of the Indenture and the Loan Agreement regarding the amendment of the Loan Agreement, the Issuer and the Borrower, with the approval of the Indenture Trustee and Ambac Assurance Corporation (the "Bond Insurer"), desire to amend Section 3.02 of the Loan Agreement as provided herein.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, THIS LOAN AGREEMENT WITNESSETH:

That the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:

1. The terms used herein, unless the context hereof shall require otherwise, shall have the same meaning as given them in Section 1.1 of the Loan Agreement, and any other terms

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defined in Section 1.01 of the Indenture shall have the same meanings when used herein as assigned them in the Indenture, unless the context or use thereof indicates another or different meaning or intent.

2. Section 3.02 of the Loan Agreement is hereby amended to add the following after the first paragraph of Section 3.02.

Section 3.02. Upon the receipt by the Trustee of a Request for Advance in the form of Exhibit G attached hereto and a Certificate in the form of Exhibit H attached hereto, amounts on deposit in the Reservation Account shall be disbursed to the Borrower. The Borrower shall also deliver to the Issuer, the Bond Insurer and the Administrator a copy of the Request for Advance and the certificate on the same date as the request and certificate are delivered to the Trustee.

3. The Loan Agreement is hereby amended to add the following under Article III, Section 3.06 Project Fund.

Section 3.06. If the Borrower submits a Request for Advance under paragraph 2 of Section 3.02, then there shall be established with the Borrower a project fund designed as the "2000 E-911 Project Fund". All funds requested under the Request for Advance, attached hereto as Exhibit G, shall be deposited in the 2000 E-911 Project Fund and shall be used and invested pursuant to such Request for Advance and its accompanying certificate.

4. The Loan Agreement is hereby amended to add Exhibit G, which is attached hereto.

5. The Loan Agreement is hereby amended to add Exhibit H, which is attached hereto.

6. This First Amendment to Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the County and their respective successors and assigns.

7. In the event any provisions of this First Amendment to Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

8. Except as otherwise provided in this First Amendment to Loan Agreement or in the Indenture, subsequent to the full payment of the Bonds and before the lien of the Indenture is satisfied and discharged in accordance with its terms, this First Amendment to Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Indenture Trustee, the County and the Bond Insurer.

9. This First Amendment to Loan Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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10. Consents and approvals required by this First Amendment to Loan Agreement to be obtained from the County, the Issuer, the Indenture Trustee or the Bond Insurer shall be in writing.

11. The County hereby acknowledges and agrees that the Issuer shall not be liable to the County, and hereby releases and discharges the Issuer from any liability, for any and all losses, costs, expenses (including attorneys' fees), damages, judgments, claims and causes of action, paid, incurred or sustained by the County as a result of or relating to any action, or failure or refusal to act, on the part of this First Amendment to Loan Agreement or the documents and transactions related hereto or thereto or contemplated hereby or thereby, including, without limitation, the exercise by the Indenture Trustee or any third party of any of its rights or remedies pursuant to any of such documents.

12. This First Amendment to Loan Agreement has been delivered in Jackson, Mississippi. The provisions of this First Amendment to Loan Agreement and all rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Mississippi and to the extent they preempt such laws, the laws of the United States.

[The remainder of this page is intentionally left blank.]

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IN WITNESS WHEREOF, the Issuer and the County have caused this First Amendment to Loan Agreement to be executed by their duly authorized officers.

MISSISSIPPI DEVELOPMENT BANK

(SEAL)

By: _____
Executive Director

ATTEST:

By: _____
Secretary

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HARRISON COUNTY, MISSISSIPPI

(SEAL)

By: _____
President, Board of Supervisors

ATTEST:

By: _____
Title: Chancery Clerk

First Amendment to Loan Agreement dated as of December 1, 2003, by and between the Mississippi Development Bank and Harrison County, Mississippi

M I N U T E S
BOARD OF SUPERVISORS, HARRISON COUNTY, MISSISSIPPI
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CONSENT OF TRUSTEE

Pursuant to the terms and conditions of the Loan Agreement, the undersigned, Hancock Bank, as the Trustee of the Mississippi Development Bank Special Obligation Bonds, Series 1999A (Capital Projects and Equipment Acquisition Program) (the "Bonds"), hereby consents to the execution and delivery of the First Amendment to Loan Agreement dated as of December 1, 2003, by and between the Mississippi Development Bank and Harrison County, Mississippi.

DATED this 23rd day of December, 2003.

HANCOCK BANK

By: _____
Susan Tsimortos, Vice President and Trust Officer

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CONSENT OF BOND INSURER

Pursuant to the terms and conditions of the Indenture of Trust, the undersigned, Ambac Assurance Corporation, as the Bond Insurer of the Mississippi Development Bank Special Obligation Bonds, Series 1999A (Capital Projects and Equipment Acquisition Program) (the "Bonds"), hereby consents to the execution and delivery of the First Amendment to Loan Agreement, dated as of December 1, 2003, by and between the Mississippi Development Bank and Harrison County, Mississippi.

DATED this 23rd day of December, 2003.

AMBAC ASSURANCE CORPORATION

By: _____
Title: _____

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ASSIGNMENT OF FIRST AMENDMENT TO LOAN AGREEMENT

FOR VALUE RECEIVED, the Mississippi Development Bank hereby assigns and transfers, without recourse, this First Amendment to Loan Agreement to Hancock Bank, Gulfport, Mississippi, as Indenture Trustee under the Indenture herein mentioned, provided, however, that the rights pledged and assigned hereunder do not include unassigned rights reserved by the Mississippi Development Bank as provided in the Loan Agreement.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

ATTEST:

By: _____
Secretary

JACKSON 829076v1

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Supervisor **BOBBY ELEUTERIUS** moved adoption of the following:

**ORDER ACKNOWLEDGING RECEIPT OF CASH BALANCE REPORT
AND REQUESTING COUNTY ADMINISTRATOR TO REVIEW SAME
FOR EMPLOYEE SALARY RAISES RECOMMENDATION AT A LATER
DATE**

ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY ACKNOWLEDGE receipt of Cash balance report and requesting County Administrator to review same for employee salary raises recommendation at a later date.

Supervisor **MARLIN R. LADNER** seconded the motion to adopt the above and foregoing Order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	(ABSENT AND EXCUSED)
Supervisor CONNIE M. ROCKCO voted	AYE

The Motion having received the affirmative vote from the majority of the Supervisors present, the President then declared the motion carried and the Order adopted.

THIS, the 8th day of December 2003.

* * *

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Supervisor **LARRY BENEFIELD** moved adoption of the following:

**ORDER APPROVING PROPOSAL FOR POSTAGE METERING SERVICE
FOR THE BILOXI COURTHOUSE FROM DMS MAIL MANAGEMENT,
AND AUTHORIZE BOARD PRESIDENT TO EXECUTE AGREEMENT**

WHEREAS, the Board of Supervisors does hereby find as follows:

1. That on the 12th day of May 2003, this Board accepted the only bid of DMS Mail Management for mailing services in the First and Second Judicial District Courthouses and authorized the Board president to execute the contract for said services, all as reflected in Minute Book 382, pages 170 through 173.

2. That it has become necessary to amend said contract and DMS Mail Management has submitted the following proposal for the Board's consideration for postage metering service for the Biloxi Courthouse:

8282 Siegen Lane
Baton Rouge, Louisiana 70810
225.763.MAIL
Fax 225.763.6284

136 East Cypress Street
Lafayette, Louisiana 70501
337.233.8955
Fax 337.233.8955



Toll free 1.800.349.MAIL (6245)
website: www.dmsmail.com

1602 22nd Avenue
Gulfport, Mississippi 39501
228.871.7199
Fax 228.868.8950

126 Center Street
New Iberia, Louisiana 70562
337.367.1446
Fax 337.367.1490

Service Fees:

United States Postal Service current First Class Mail Postage Rate .37 cents each piece

U.S.P.S. Rate for First Class Mail *after* DMS presorts and bar-codes .278 cents each piece.

Total Postage Savings for utilizing DMS presort/bar-coding services 9.2 cents each.

Current service fee for presort/bar-coding service is 6.2 cents each.

Service fee for applying postage is 1.0 cents each piece.

Total service fee for both Presort/bar-coding & metering service is 7.2 each piece.

Fact: After all Postal discounts and service fees, as listed above, are applied; the total savings per piece for all standard sized mail leaving the Biloxi Court House will be 2.0 cents each.

Most Respectfully Submitted,

Lorinda Daniels
Regional Account Representative
DMS Mail Management Inc.

ACCEPTED by
HARRISON COUNTY BOARD OF SUPERVISORS
December 8, 2003

President

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8282 Siegen Lane
 Baton Rouge, Louisiana 70810
 225.763.MAIL
 Fax 225.763.6284

136 East Cypress Street
 Lafayette, Louisiana 70501
 337.233.8955
 Fax 337.233.8954



Toll Free 1.800.349.MAIL (6245)
 website: www.dmsmail.com

1602 22nd Av
 Gulfport, Mississippi 7
 228.871
 Fax 228.868

136 Center S
 New Iberia, Louisiana 7
 337.367
 Fax 337.367

A DMS Mail Management Proposal for Postage Metering Services

We appreciate your patronage as a presort/barcode client and welcome the opportunity to offer the Biloxi Court House our service of applying postage to all outgoing pieces of mail

Service Option:

1. DMS is currently picking up daily, ready-made mail at pre-arranged time.
2. DMS will now *also* apply postage to all outgoing pieces of mail.
3. DMS will presort, barcode, and process for 5 digit automation compliant postal discount rates, and process mail for same day delivery to the United States postal facility located on Seaway Road in Gulfport, MS.

Current Postal Savings Example:

Currently every piece of outgoing standard size mail (#9 or #10 envelopes) being sent from the Biloxi Courthouse, utilizing the services of DMS presort/bar-coding procedure, is receiving a total postal savings of 3.0 cents.

Please see following page for all service fees and postage savings explanations.

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NOW, THEREFORE, IT IS HEREBY ORDERED BY THE BOARD OF SUPERVISORS OF HARRISON COUNTY, MISSISSIPPI, that the Board does HEREBY APPROVE the aforesaid proposal to amend the contract approved May 12, 2003, as appears in Minute Book 382, pages 170 through 173; and the Board does HEREBY AUTHORIZE the Board president to execute same.

Supervisor **CONNIE M. ROCKCO** seconded the motion to adopt the above and foregoing order, whereupon the question was put to a vote with the following results:

Supervisor BOBBY ELEUTERIUS voted	AYE
Supervisor LARRY BENEFIELD voted	AYE
Supervisor MARLIN R. LADNER voted	AYE
Supervisor WILLIAM W. MARTIN voted	AYE
Supervisor CONNIE M. ROCKCO voted	AYE

The motion having received the affirmative vote from the majority of the supervisors present, the president declared the motion carried and the order adopted.

THIS, the 8th day of December 2003.

* * *

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The following items came up for discussion by the Board:

- 1) Supervisor Ladner inquired about officers picking up hunting dogs and taking them to the Humane Society and owners having to pay to have them returned. Hunting dogs are tagged and should be returned with no charge if they have identification.
- 2) Ribbon cutting for Playground of Hope will be Thursday, December 12, 2003 at 4:00 P.M.
- 3) Supervisor Rockco asked what is current amount owed by City of D'Iberville as per interlocal agreement. The County Administrator stated the balance is \$314,317.96.
- 4) Supervisor Benefield asked John Edwards, 911 Director, if County was on line with the radio system. Mr. Edwards stated that he and Gil were training the Sheriff's Department today. Steve Delahousey also stated that \$80,000.00 training budget had been done in-house at no cost to County, so they are renegotiating contract and there should be a savings. Should be completed by end of January 2004.
- 5) The Board requested Joe Meadows to add that there be a mandated vote from public before bond issue is approved for Mississippi Gulf Coast Community College.

* * *

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ORDERED that the Board ADJOURN IN THE SECOND JUDICIAL DISTRICT until Term in
course.

THIS, the 8th day of December 2003.


PRESIDENT