

BE IT REMEMBERED that the Board of Supervisors of Clay County, Mississippi, met at the Courthouse in West Point, MS, on the 10th day of February, 2015, at 9 00 a m , and present were Lynn Horton, President, Luke Lummus, and Floyd McKee Also present were Amy G Berry, Clerk of the Board, Bob Marshall, Board Attorney, and Eddie Scott, Sheriff of Clay County, when and where the following proceedings were as determined to wit,

NO _____

IN THE MATTER OF ADOPTING AND AMENDING THE AGENDA FOR THE BOARD OF SUPERVISORS MEETING HELD ON FEBRUARY 10, 2015

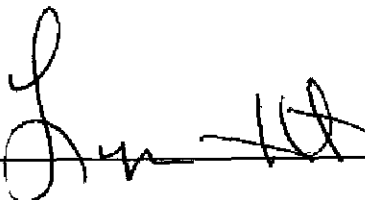
There came on this day for consideration the matter of adopting and amending the agenda for the Board of Supervisors meeting held on February 10, 2015

It appears to this Board the following items need to be added to the agenda for further discussion and consideration by this Board

- Consider the Fuel Man Contract for District 1 and Sanitation Department

After motion by Luke Lummus and second by Floyd McKee the Board doth vote unanimously to adopt the agenda as presented and to approve the agenda as amended

SO ORDERED this the 10th day of February, 2015



President

NO _____

**IN THE MATTER OF ACCEPTING AND AWARDING THE LEASE PURCHASE BID
TO BANCORP SOUTH FOR THE PURCHASE OF THE KUBOTA TRACTOR**

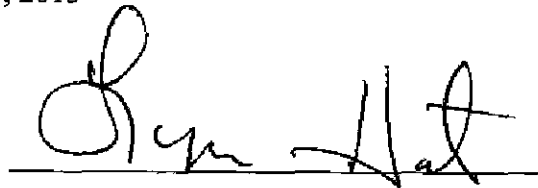
There came on this day for consideration the matter of accepting and awarding the lease purchase bid to Bancorp South for the purchase of the Kubota Tractor

It appears to this Board as attached hereto as Exhibit A two quotes have been presented to this Board for the lease purchase financing of a Kubota Tractor in the amount of \$39,500 00 for the benefit of District 2, and,

It appears to this Board that the best bid is that of Bancorp South Bank, at 1 82% with a monthly payment of \$853 86 per month for 48 months

After motion by Luke Lummus and Floyd McKee this Board doth vote unanimously to approve the said lease purchase bid of Bancorp South for a 48 month lease at the rate of 1 82% with a monthly payment of \$853 86 per month

SO ORDERED this the 10th day of February, 2015



President

EQUIPMENT LEASE-PURCHASE AGREEMENT

2/10/15 This Equipment Lease-Purchase Agreement (the "Agreement") dated as of 2/10/15 is entered into between BancorpSouth Equipment Finance, a division of BancorpSouth Bank (the "Lessor"), whose Principal Office (herein so called) is located at Hattiesburg, Mississippi and Clay County, Mississippi, (the "Lessee"), acting by and through Board of Supervisors, the Governing Body of the Lessee

1 Agreement to Lease In consideration of the rental provided herein, and the other covenants contained herein, Lessor hereby agrees to lease and rent to Lessee, and Lessee hereby agrees to lease and rent from Lessor, all the machinery, equipment and other personal property ("Equipment") described in Equipment Lease Schedule(s) ("Equipment Schedules") now or hereafter executed by Lessor and Lessee and attached hereto and incorporated herein by reference as Exhibit B upon the terms and conditions set forth in this Agreement, as supplemented by the terms and conditions set forth in the appropriate Equipment Schedule identifying such item of Equipment and such other Equipment Schedules as may be executed by Lessor and Lessee and attached hereto and incorporated herein by reference

2 Lease Term The obligations of Lessor and Lessee under this Agreement will commence upon the execution hereof by Lessor and Lessee and will end upon the full performance and observance of each and every term, condition, and covenant contained herein, each Schedule hereto and any extensions thereof. The rental term of the Equipment listed in each Equipment Schedule shall commence on the date that the rental payment is due as provided in the Equipment Schedule and shall terminate on the last day of the term stated in such Equipment Schedule. This Agreement shall be automatically renewed on a year-to-year basis except as provided for in Paragraph 4

3 Rental Payments. The rent for the Equipment described in each Equipment Schedule shall be the total sum stated on such Equipment Schedule, in installments, and shall be due and payable on the dates set forth therein. A portion of each such rental payment is paid as, and represents a payment of interest and each Equipment Schedule sets forth the applicable interest rate and interest component of each rental payment, /provided however such interest component is subject to change as provided in Paragraph 12 hereof. Such rent shall be payable from legally available funds of the Lessee in lawful money of the United States, without notice or demand, at the Principal Office of the Lessor or its assigns (or at such other place as Lessor may from time to time designate in writing). The receipt of any check or other item on account of any rental payment will not be considered as payment thereof until such check or other item is honored when presented for payment. All rental payments shall be made by the Lessee without abatement, setoff, or deduction of any amounts whatsoever. The obligations of Lessee to pay rent hereunder shall constitute a current expense of Lessee and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirements concerning the creation of an indebtedness by Lessee

4 Continuation of Lease by Lessee (a) Lessee intends to comply with each term, condition and covenant of this Agreement during the term hereof and to pay the rent due hereunder. Lessee reasonably believes that legally available funds of an amount sufficient to make all rent payments due hereunder shall be obtained. Lessee agrees to include in its budget

for each fiscal year during the term of this Agreement all rent payments due hereunder and to do all other things necessary and lawfully within its power to have such portion of the budget approved to obtain and provide for funds to pay its obligations due hereunder. In the event that such portion of the budget that provides for rent payments due under this Agreement is not approved, the Lessee agrees, at its expense, to exhaust all available reviews and appeals to have the rent payments reinstated and approved in the budget. It is Lessee's intent to make rental payments for the full term of this Agreement if funds are legally available therefor and in that regard Lessee represents that the use of the Equipment is essential to its proper efficient and economic operation.

(b) In the event no funds or insufficient funds are appropriated or otherwise available by any means whatsoever in any fiscal year for rental payments due under this Agreement, then the Lessee shall immediately notify Lessor or its assignee of such occurrence and this Agreement shall create no further obligation of Lessee as to such fiscal year and shall be null and void, except as to the portions of rental payments for which funds shall have been appropriated and budgeted. In such event, this Agreement shall terminate on the last day of the fiscal year for which appropriations were received without penalty or expense to Lessee of any kind whatsoever. Subsequent to such termination of this Agreement, Lessee shall have no continuing obligation to make rental payments under this Agreement. No right of action or damages shall accrue to the benefit of Lessor, or its assignee, as to that portion of this Agreement which may so terminate except as specifically provided in the last paragraph of this Paragraph. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its assignee on the date of such termination, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States designated by Lessor. Lessor shall have all legal and equitable rights and remedies to take possession of the Equipment, and

(c) Notwithstanding the foregoing, Lessee agrees

(i) that it will not cancel this Agreement under the provisions of subparagraph (b) above if any funds are appropriated to it, or by it, for the acquisition, retention or operation of the Equipment

(ii) that it will not during the term of this Agreement give priority in the application of funds to any other functionally similar equipment or services

5 Purchase and Installation. Lessee will select the type, quantity and supplier of each item of Equipment and in reliance thereon Lessor will either order such Equipment from such supplier or accept an assignment of any existing purchase order (the "Purchase Order") therefor. The Equipment so ordered shall be delivered to Lessee by the supplier thereof. Lessee shall accept such Equipment when and if delivered and placed in good repair and working order and hereby authorizes Lessor to add to this Agreement the serial number of each item of Equipment so delivered. Any delay in such delivery shall not affect the validity of this Agreement. Lessee shall have 30 days from the date of delivery to accept such Equipment and deliver an executed Equipment Acceptance Notice in the form attached hereto as Exhibit C. Notice of any defects must be given to Lessor within 30 days of delivery. In the event the Equipment is not accepted by the Lessee within 30 days from the date of delivery and such acceptance is unreasonably withheld by Lessee, Lessor, at Lessor's option, shall have the right to cancel this Agreement.

Subject to the conditions set forth in this paragraph, upon delivery of the Equipment to Lessee, payment will be made by Lessor for the balance due and owing for the Equipment, and, notwithstanding any defect in or failure of the Equipment, Lessee will, upon payment of any amount by Lessor at the request of Lessee (whether down payment, deposit, or full purchase price), become fully and completely liable under this Agreement with respect to the Equipment until such time as this Agreement expires by its terms. Lessor shall have no liability for any delay in delivery or failure by the supplier to fill the Purchase Order or meet the conditions thereof. Lessee, at its expense, will pay all taxes, duties and expenses of packing, transportation, installation, testing and other charges in connection with the delivery, installation, and use of the Equipment.

Lessor's obligation to purchase and lease-purchase Equipment under this Agreement is subject to the fulfillment, to Lessor's reasonable satisfaction, of the following conditions precedent:

(a) Lessor shall have received a full warranty bill of sale satisfactory to Lessor, executed by the supplier in favor of Lessor, covering such item of Equipment.

(b) Lessor shall have received an invoice describing such item of Equipment, all material components thereof and the purchase price payable to supplier in respect thereof.

(c) Lessor shall have received an opinion of counsel to Lessee in form and substance satisfactory to Lessor, to the effect that such counsel has examined this Agreement and such other documents and matters as he deemed necessary to reach the conclusions stated in such opinion, which conclusions shall include the following:

(i) the representations and warranties of Lessee contained in this Agreement are true and correct on the date thereof,

(ii) this Agreement has been duly authorized, executed and delivered by Lessee, and constitutes a valid and binding obligation of Lessee enforceable in accordance with its terms,

(iii) there are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal or body against Lessee which may materially affect Lessee's financial condition or operations, or which could have any effect whatsoever upon the validity, performance, or enforceability of this Agreement,

(iv) the interest portion of the rental payments due hereunder is exempt from federal income taxation pursuant to Paragraph 103(a) of the Internal Revenue Code of 1986, as amended, and the Treasury regulations and rulings thereunder (the "Code"),

(v) The Lessee is a fully constituted political subdivision or agency of the State where the Equipment is located as set forth herein and is authorized by the Constitution and laws of the State of Mississippi (the "State") and its own internal or administrative procedure to enter into the transactions contemplated by this Agreement and to carry out its obligations hereunder, and

(vi) such other matters as Lessor may reasonably request

(d) On the date thereof, no default (as defined in Paragraph 23 hereof), and no event which with notice or lapse of time, or both, would become a default, shall have occurred and be continuing hereunder

(e) All representations and warranties of Lessee made herein shall be true and correct in all material respects on the date thereof

(f) A financing statement, in form and substance satisfactory to Lessor, in respect of such Equipment shall have been executed and filed in the appropriate offices

(g) Lessor shall have received from Lessee written notice of acceptance of the Equipment

(h) Lessor shall have received all other documents, instruments, certificates, opinions, and evidences as Lessor may reasonably request

6 Representations and Warranties of Lessee Lessee represents, warrants and covenants to Lessor that

(a) Lessee has been duly authorized by all necessary action on the part of the Lessee, its governing body or other appropriate governing bodies and officials to execute, deliver, and perform the terms of this Agreement and further represents that all requirements and procedures have occurred that are necessary to ensure the enforceability of this Agreement, including Lessee's compliance with any applicable public bidding requirements

(b) This Agreement constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms and does not contravene any lease, indenture, credit agreement or other agreement to which Lessee is a party or by which it is bound

(c) There are no pending or threatened actions or proceedings before any court, administrative agency or other body which may materially affect Lessee's financial condition or operations or which could have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement

(d) No consent, approval, or authorization of, registration with, or declaration to any agency or authority is required in connection with the execution and delivery of this Agreement

(e) Lessee is not in default (nor has any event occurred which, with notice or lapse of time, or both, would constitute a default) under any agreement or instrument to which Lessee is a party or under which Lessee or any of its assets is bound which could have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement

(f) There are no outstanding or unpaid judgments against Lessee

(g) Lessee has furnished to Lessor a copy of current financial statements and except for transactions directly related to, or specifically contemplated by, this Agreement and transactions heretofore disclosed in writing to Lessor, since the dates of such financial statements, there have been no changes in the financial condition and operations of Lessee from that shown in such financial statements through the date hereof which would have any effect whatsoever upon the validity, performance, or enforceability of the terms of this Agreement and there is no significant material fact or condition relating to the financial condition or business operations of Lessee which has not been related, in writing, to Lessor Lessee shall furnish to Lessor within 90 days of the close of its fiscal year during the term of this Agreement audited financial statements and such other financial statements as the Lessor may request from time to time during the terms of this Agreement Any financial statements furnished or to be furnished to Lessor by Lessee (whether audited or unaudited) shall be prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial condition and results of operations of Lessee at the dates and for the periods indicated therein

(h) Lessee is not leasing the Equipment for the purpose of putting, and does not intend to put, the Equipment to any consumer use within the meaning of any applicable truth-in-lending or similar laws

(i) Lessee acknowledges and agrees that the rental payments have been calculated by Lessor assuming that the interest portion of each rental payment is exempt from federal income taxation Lessee will do or refrain from doing all things necessary or appropriate to insure that the interest portion of the rental payment is exempt from federal income taxation, including, but not limited to, executing and filing all information statements required by Paragraph 149(e) of the Code and timely paying, to the extent of available funds, amounts, if any, required to be rebated to the United States pursuant to Paragraph 148(f) of the Code

Lessee acknowledges that the representations, covenants and warranties set forth in Paragraph 6(i) and 7 shall survive the expiration of this Agreement and that Lessor may pursue any applicable remedies for the breach of such representations, covenants and warranties at any time

7 Tax Exemption Lessee acknowledges that Lessor has agreed to enter into this Agreement on the condition that a certain exemption from non-deductibility of interest expense under Section 265(b) of the Code is available Said exception is subject to certain conditions relating to Lessee's use of the Equipment and to Lessee's issuance of tax-exempt obligations In that regard, Lessee represents, covenants and warrants that

(a) The Equipment will not be used, directly or indirectly in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public

(b) No portion of the rental payments payable hereunder (i) will be secured, directly or indirectly, by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property, or (ii) will be derived from payments, whether or not to Lessee, in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit

(c) No portion of the gross proceeds of the Agreement will be used (directly or indirectly) to make or finance loans to persons other than governmental units

(d) The Agreement is hereby designated as a qualified tax-exempt obligation for the purposes of Section 265(b) of the Code

(e) Lessee reasonably anticipates that the amount of qualified tax-exempt obligations to be issued by Lessee (together with qualified tax-exempt obligations issued by any entity from which Lessee derives its issuing authority or any entity which has substantial control over Lessee or any subordinate entity deriving its issuing authority from Lessee or any subordinate entity subject to substantial control by Lessee) during the current calendar year shall not exceed \$10,000,000

8 Title, Personal Property, Encumbrances. Upon acceptance of the Equipment covered by an Equipment Schedule hereto by Lessee hereunder and satisfaction of all conditions precedent for purchase and lease-purchase of such Equipment by Lessor as provided in Paragraph 5 hereof, title to such Equipment and any and all additions, repairs, replacements or modifications will vest in Lessee and for purposes of laws governing taxation and conditional sales, title to the Equipment shall be deemed to be in Lessee, provided, however, that (1) in the event of termination of this Agreement or of an Equipment Schedule which covers such Equipment in accordance with Paragraph 4 hereof, or (11) upon the occurrence of an Event of Default hereunder, and as long as such event of Default is continuing, title will, upon written notice from Lessor to Lessee, immediately vest in Lessor or its assignee

Each item of the Equipment subject to this Agreement is and shall remain personal property and shall not be deemed to be affixed to or a part of the real estate on which it is situated, notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner physically affixed or attached to real property or any building thereon. Lessor may at any time and from time to time require Lessee to obtain, and Lessee shall obtain and deliver to Lessor, a waiver of any interest in the Equipment by any present or future landlord, owner, or mortgagee of such real estate

Lessee agrees to keep each item of Equipment at all times free and clear from all claims, levies, liens and process other than those in favor of Lessor pursuant to this Agreement. Lessee will not attempt to sell, assign, transfer, sublease, loan, part with possession of, conceal, mortgage, encumber, or otherwise dispose of any of the Equipment or the interest therein, or permit any lien, attachment, levy or execution of any of its creditors to become effective thereon (if any such lien, charge, claim or encumbrance should arise at any time, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge same), provided, however, Lessee may deliver possession of any item of Equipment to the manufacturer or supplier thereof for testing or other similar purposes or to any person or company for service, repair, maintenance, or overhaul work on such item of Equipment or for alterations or modifications or additions to such item of Equipment to the extent required or permitted by any provision of this Agreement. Lessee, at its expense, will protect and defend title to the Equipment

9 Location. The Equipment shall be delivered to the location specified in the applicable Equipment Schedule and shall not be removed from such location without the prior

written consent of Lessor

10 Use, Repairs Lessee shall use the Equipment in a careful manner and shall comply with all laws, ordinances and regulations relating to, and shall pay all costs, claims, damages, fees and charges arising out of its possession, use or maintenance. Lessee, at its expense, shall keep the Equipment in good repair and furnish all parts, mechanisms and devices required therefor

11 Taxes Lessee agrees to pay, promptly when due, all assessments, license and registration fees, taxes (including sales, use, excise, personal property, ad valorem, stamp, documentary and other taxes) and all other governmental charges, fees, fines or penalties whatsoever, whether payable by Lessor or Lessee, on or relating to the Equipment, or the purchase, ownership, possession, leasing, operation, use or disposition thereof, and on or relating to this Agreement for the rent or other payments hereunder (excluding taxes on or measured by the net income of Lessor and excluding any sales or use tax payable to the supplier or manufacturer or the State of Mississippi by the Lessor on the acquisition of the Equipment and for which a credit is allowable under Section 27-65-23 of the Mississippi Code of 1972, as amended, against sales taxes collected by the Lessor from the Lessee on the periodic rental payments) and to prepare and file promptly with the appropriate office any and all returns required to be filed with respect thereto (sending copies thereof to Lessor) or, if requested by Lessor, to notify Lessor of such requirement and furnish Lessor with all information required by Lessor so that it may effect such filing. If Lessee fails to pay said charges and taxes when due, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any taxes, assessments, fees, or other governmental charges for which Lessee is responsible or liable pursuant to the foregoing, Lessee shall reimburse Lessor therefor within 5 days after demand by Lessor. All amounts under this paragraph (other than interest) payable to Lessor shall be computed on an "after tax" basis so that such payments shall be in an amount which, when reduced by the increase in the income tax liability or liabilities of Lessor, if any, as a result of such payment by Lessee, shall equal the after-tax cost of the tax, assessment, fee or other governmental charge paid by the Lessor

12 Exemption from Federal Taxation. The Lessor has entered into this Agreement contemplating that the interest portion of rental payments will be exempt from income taxation. In the event any governmental taxing authority successfully imposes tax treatment, under this Agreement or any other lease of the Lessor which in the opinion of Lessor's counsel, will be determinative of the tax treatment under this Agreement, which differs from the tax treatment contemplated to be taken by the Lessor hereto at the inception of this Agreement or which effectively denies to the Lessor the use or benefit of such tax treatment as contemplated, (including, but not limited to, the taxability of the interest portion of the rental payments caused by the non-applicability of Code Section 103(a) or the denial under Code Section 265(b), of a deduction for a portion of interest expense of Lessor, the affiliated group (as defined in Code Section 1504(a) of which Lessor is a member, or any separate member of the affiliated group of which Lessor is a member) then Lessee agrees to pay rents with an interest factor equal to the maximum rate of interest which, under applicable law, Lessor is permitted to charge, retroactively from the effective date of imposition of the change of tax treatment through the term of this Agreement during which the change of tax treatment is imposed, with credit being given for rental payments having already been made by Lessee during the period for which the change is imposed and subsequently thereto, as rental payments would otherwise become due,

until the end of the lease term. Any retroactive payments of rent under this paragraph shall be due and payable at the date that Lessor gives notice to Lessee of imposition of the change of tax treatment.

Lessee agrees to pay its pro-rata share of attorney's fees that may reasonably be incurred by Lessor in the event legal action or administrative action is taken by the Lessor to secure the tax treatment intended to be taken by Lessor under this Agreement or any other lease which in the opinion of Lessor's counsel will be determinative of the tax treatment under this Agreement whether such action is successful or not. Lessee's pro-rata share shall be determined by the percentage that the Lessor's original cost of the Equipment bears to the total original cost of leased equipment for all other similar leases of the Lessor involving similar issues of fact or law. In the event the Lessor is successful in securing the tax treatment intended to be taken by Lessor, Lessor shall refund to Lessee the total amount of increased interest (as hereinabove provided) which has been paid by Lessee and rental payments for the remainder of the lease term shall be the original rentals as specified in the Equipment Schedules.

13 Use of Equipment, Inspections. Lessee may possess and use the Equipment in accordance with this Agreement, provided that any such use is in conformity with all applicable laws, regulations, ordinances, any insurance policies and any warranties of the manufacturer or supplier with respect to the Equipment. Lessee will not use or operate any item of Equipment other than in a manner and for the use contemplated by the manufacturer or supplier thereof, or permit any person other than the Lessee's authorized agents or employees to operate the Equipment.

Lessor or Lessor's agent shall have the right upon reasonable prior notice to the Lessee and during the Lessee's regular business hours to inspect the Equipment at the premises of the Lessee or wherever the Equipment may be located. Lessee shall promptly notify Lessor of all details arising out of any change in location of the Equipment, any alleged encumbrances thereon, any accident allegedly resulting from the use or operation thereof, or any materially defective, improper or malfunctioning item of Equipment and any claim or demand involving or relating thereto.

14 Acceptance. Lessee acknowledges and agrees that

(a) each item of the Equipment is of a size, design, capacity and manufacture selected by Lessee,

(b) Lessee is satisfied that the Equipment, and each component thereof, is suitable for its purpose,

(c) Lessor is not the manufacturer of the Equipment nor a dealer in property of such kind,

(d) Lessor shall have no obligation to accept any item of the Equipment from any seller thereof until that item of Equipment is accepted by Lessee, and

(e) the foregoing notwithstanding, Lessee shall indemnify Lessor and hold Lessor

harmless from and against any and all losses and liabilities which may arise from Lessee's failure for any reason to accept any item of the Equipment

15 Maintenance. Lessee will pay for and provide all utilities consumed by or required for the Equipment or use thereof, including, but not limited to, water, gas, electrical power, oil, gasoline, and lubricants. Lessee, at its sole expense, at all times during the term of this Agreement, shall maintain the Equipment and all additions, attachments and accessions thereto in good operating order, repair, condition and appearance, and keep the same protected from the elements, ordinary wear and tear resulting from authorized use thereof alone excepted and shall make all necessary repairs and replacements to the Equipment. If the manufacturer of the Equipment has provided Lessee with a standard maintenance schedule, such schedule will constitute minimum maintenance compliance and Lessee upon request, will furnish Lessor with satisfactory evidence of such compliance. In furtherance of the maintenance of the Equipment, Lessee agrees, if requested by Lessor, to enter into and maintain in force a Maintenance Agreement with the manufacturer or a person (who may be a supplier) approved by the manufacturer providing for the maintenance of the Equipment (or specified items of Equipment). In the event Lessee is requested to enter into such a Maintenance Agreement, Lessee agrees to do all things within its power to cause such Maintenance Agreement to be complied with in all respects by Lessee, and the other party thereto, and Lessor hereby authorizes such other party thereto to accept the direction of Lessee in respect to such Maintenance Agreement. All maintenance and service charges, whether pursuant to such Maintenance Agreement or otherwise, shall be borne by Lessee.

16 Alterations and Repairs. Lessee shall not without the prior written consent of Lessor (which may be withheld with or without cause), make any repair or alteration to or install any accessory, equipment, or device on the Equipment or any component thereof which interferes with the normal and satisfactory operation or maintenance thereof, or creates a safety hazard, or which might result in the creation of mechanic's or materialman's lien with respect thereto. All parts and attachments (whether new or replaced) at any time installed in or affixed to the Equipment shall constitute accessions thereto and shall be the property of Lessor (except items which are furnished or affixed by Lessee and may be removed without in any way affecting or impairing the original intended function or use of the Equipment or any component thereof and are readily removable by Lessee without causing material damage to the Equipment).

17 Disclaimer of Warranties. Exclusion of Liability. LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO, THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE DESIGN OR CONDITION OF THE EQUIPMENT, THE QUALITY OR CAPACITY OF THE EQUIPMENT, THE PERFORMANCE OF THE EQUIPMENT, THE WORKMANSHIP OR MATERIAL IN THE EQUIPMENT, COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO, PATENT INFRINGEMENT, OR LATENT DEFECTS AS TO LESSEE, LESSOR LEASES THE EQUIPMENT "AS IS." Lessor shall have no obligation to accept any item of Equipment from any supplier thereof until that item of Equipment is accepted by Lessee. Lessor hereby assigns to Lessee, for and during the term of this Lease, applicable factory warranties, if any, express or implied, issued with respect to the

Equipment and each component thereof, and Lessee will be subrogated to Lessor's claims, if any, against the manufacturer or supplier of the Equipment for breach of any warranty or representation with respect thereto. Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense. Lessor authorizes Lessee to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenance and all claims of Lessee with respect thereto whether for delay, damage or otherwise, shall be made against supplier. Lessor, at its option, may provide in its Purchase Order that supplier agrees that any of such claims may be made by Lessee directly against suppliers. The obligation of Lessee to pay the rental payments shall not be abated, impaired or reduced by reason of any claims of the Lessee with respect to Equipment condition, quality, workmanship, delivery, shipment, installation, defects or otherwise. Notwithstanding the foregoing, Lessee's obligations to pay the rentals or otherwise under this Lease shall be and are absolute and unconditional. All proceeds of any such warranty recovery from the manufacturer or supplier of the Equipment shall be first used to repair the affected Equipment. In no event shall Lessor be liable to Lessee for loss of anticipatory profits or any other direct, indirect, special or consequential damages.

18 Risk of Loss. All risk of loss, theft, damage or destruction to each item of Equipment shall be borne by Lessee. No such loss, theft, damage or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Agreement, all of which shall continue in full force and effect, and Lessee, at Lessor's option, shall either

(a) place the affected Equipment in good repair condition and working order,

(b) replace the same with like Equipment in good repair, condition and working order (with documentation establishing clear title therein in Lessor), or

(c) pay to Lessor an amount equal to the purchase option price as prescribed in Paragraph 21 hereof, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, theft, damage or destruction.

19 Insurance. Lessee shall keep the Equipment insured against loss, theft, damage or destruction from every cause whatsoever for not less than full replacement value thereof, and shall carry public liability and property damage insurance covering the Equipment and its use with companies approved by the Lessor. All such insurance shall be in the joint names of Lessor and Lessee, with Lessor and Lessee named as loss payees, as their interests may appear, shall provide that Lessor shall receive not less than 30 days' notice of any termination, cancellation or alteration of the terms thereof and that the coverage afforded Lessor shall not be rescinded, impaired or invalidated by any act or neglect of Lessee, and otherwise shall be in form and amount and with companies approved by Lessor. Lessee shall pay the premiums therefor and delivery said policies, or duplicates thereof or certificates of coverage thereunder, to Lessor. The proceeds of hazard insurance shall, at the option of Lessor, be applied toward the repair or replacement of the Equipment or the payment of the obligations of Lessee hereunder, as set forth in Paragraph 18. The proceeds of any public liability or property damage insurance shall be payable first to Lessor to the extent of its liability, if any, and the balance to Lessee. Lessee hereby appoints Lessor as Lessee's attorney-in-fact to make claim for, receive payment of, and execute or endorse all documents, checks or drafts for loss or damage under any such policy.

20 License and Taxes. In addition to other payments to be made pursuant to this Agreement, Lessee shall pay Lessor, as additional payment, on demand, an amount equal to, all license, assessments, sales, use, real or personal property, gross receipts or other assessments, taxes, levies, imposts, duties and charges, if any together with any penalties, fines or interest thereon imposed against or on Lessor, Lessee or the Equipment by any governmental authority upon or with respect to the Equipment or the purchase, ownership, possession, operation, return or sale of, or receipt of payments for, the Equipment, except any Federal or state income taxes, if any, payable by Lessor. Lessee may contest any such taxes prior to payment provided such contest does not involve any risk of sale, forfeiture or loss of the Equipment or any interest therein.

21 Prepayment Purchase. At the end of the lease term for Equipment covered by an Equipment Schedule, provided all rental payments have been made under such Equipment Schedule and there is no default or event which with the giving of notice or lapse of time or both, could become a default under the Agreement, any interest of Lessor to the Equipment subject to such Equipment Schedule shall be transferred to the Lessee or released. Provided all rental payments under this Agreement are paid to date, Lessee may prepay for Equipment under an Equipment Schedule and purchase the interest of Lessor in the Equipment at the end of any month during the lease term by payment of

(a) the outstanding principal balance due under the Amortization Schedule attached to the applicable Equipment Schedule (or any substitute amortization schedule in effect in accordance with Paragraph 12) plus accrued interest to date,

(b) the cost of any required inspections, examinations, or certifications of the Equipment, and

(c) the cost of any repairs, modifications, or adjustments required as a result of the inspections, examinations, or certifications referred to in (b) above.

Such option shall be exercisable by written notice to Lessor not less than 30 days prior to the prepayment purchase date. The closing shall be held on the specified prepayment purchase date, or on the next following business day if such day is a Saturday, Sunday or legal holiday, at the Principal Offices of Lessor, at which time Lessor shall deliver to Lessee a release of any interest of the Lessor in the Equipment subject to such Equipment Schedule to Lessee. Upon payment in full of all amounts due with respect to all Equipment identified in a particular Equipment Schedule and release of any interest by the Lessor of its interest in such Equipment to the Lessee, this Agreement shall terminate with respect to such Equipment for which payment has been made in full (but shall remain in force with respect to any other Equipment identified in another Equipment Schedule for which payment in full has not been made).

22 Security Interest. To secure all of its obligations hereunder Lessee grants to Lessor a first and prior security interest in any and all right and interest of Lessee in the Equipment, the Agreement and payments due under this Agreement, agrees that this Agreement may be filed as a financing statement evidencing such security interest, and agrees to execute and deliver all financing statements and other instruments necessary or appropriate to evidence such security interest. Lessee further agrees that the Uniform Commercial Code of the State of Mississippi shall apply as between the parties hereto and assignees of Lessor.

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

(a) nonpayment when due or within 6 days thereafter of any installment of rent or other sum owing hereunder,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) any expense paid or incurred by Lessor in connection with the repossession, holding, repair and subsequent sale, lease or other disposition of the Equipment, including attorneys' fees and legal expenses, and

(iii) the purchase option price as prescribed in Paragraph 21 hereof, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise

Additionally, the measure of liquidated damages as set forth hereinabove shall be applicable to fix the damages accruing for the unexpired portion of the lease term if this Agreement is not assumed by the Lessee in a bankruptcy proceeding. Should Lessor, however, estimate its actual damages to exceed the foregoing, Lessor may, at its option, recover its actual damages in lieu of or in addition thereto.

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

25 Reports Lessee shall

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

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

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

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

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

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

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

principal and agent, partnership, or joint venture

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

If to the Lessor

BancorpSouth Equipment Finance
division of BancorpSouth Bank
P O Box 15097
12 Thompson Park
Hattiesburg, MS 39404-5097
Attention Ms Elaine D Temple, President

If to the Lessee

Clay County, Mississippi
P O Box 815
West Point, MS 39773-0815

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

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

31 Entirety of Agreement. This Agreement contains the entire agreement between Lessor and Lessee, and supersedes all prior agreements and understandings relating to the subject matter hereof. No other agreement shall be effective to change, modify, or terminate this Agreement in whole or in part unless such agreement is in writing and duly signed by the party against whom enforcement of such change, modification, or termination is sought. No representations, inducements, promises, or agreements, oral or otherwise, which are not embodied herein shall be of any force or effect.

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

such counterpart

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

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

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

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

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

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

35 Persons Bound by Agreement. The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessee, and its successors, assigns, agents, and servants. The Lessee has no interest in the Equipment other than the possession and use thereof during the lease term and cannot pledge, mortgage, or grant a security interest in the Equipment or any item of Equipment. The conditions, terms, provisions, and covenants contained in this Agreement shall apply to, inure to the benefit of, and be binding upon Lessor, and its successors, assigns, agents, and servants, and, where the context so requires, any person accepting an assignment of the rights of Lessor hereunder, and their respective successors, assigns, agents, and servants, and with respect to any indemnification provisions hereof, Lessor and any holder of obligations of Lessor issued in connection with this Agreement, and their respective successors, assigns, agents, and servants, shall each be entitled to indemnification hereunder without regard to the actions of any other person hereunder

36 Assignment. (a) Without Lessor's prior consent, Lessee shall not either (i) assign, transfer, pledge, hypothecate, grant any security interest in or otherwise dispose of this

Agreement or the Equipment or any interest in this Agreement or said Equipment, or (ii) lease or lend the Equipment or permit it to be used by anyone other than Lessee or Lessee's employees. Lessor may, without the consent of Lessee, assign its rights, title and interest in and to this Agreement, and all attachments hereto including the Purchase Order(s), to various assignee/investors or their agents or trustees, and/or grant or assign a security interest in this Agreement or the Equipment, in whole or in part and its assignee may reassign this Agreement. Lessee agrees that this Agreement may become a part of a pool of contract obligations at Lessor's option, and Lessor or its assignees may assign or further assign either the entire pool or a fractionalized interest therein. Each such assignee shall have all of the rights of Lessor under this Agreement. Lessee shall recognize and acknowledge each such assignment and/or security interest. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assignees of the parties hereto.

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

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

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

39 Right to Perform Covenants If Lessee shall fail to make any payment or perform any act required to be made or performed by Lessee hereunder, Lessor, without waiving or releasing any obligation or default on the part of Lessee, may (but will be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Lessee, and may take all such action as may be necessary therefore. All sums so paid by Lessor and all expenses (including, without limitation, reasonable attorneys' fees) so incurred, together with interest thereon from the date of payment or incurring at the highest rate permitted by applicable law, will be paid by Lessee to Lessor on demand.

40 Survival Lessee's obligations contained in this Agreement shall survive the

termination or cancellation of this Agreement or the expiration of the term of any schedule

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

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

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

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

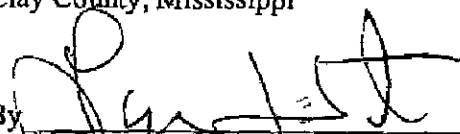
LESSOR

LESSEE

BancorpSouth Equipment Finance, a division of BancorpSouth Bank

Clay County, Mississippi

By _____
Title _____

By 
Title President of Clay County Board of SuperBus

INSTRUCTIONS FOR EXECUTING DOCUMENTS

Document

Instructions

Contract

Sign & Date last page of contract

Resolution

Section 1 - Name of person authorized to sign contract
 Section 7 - The amount of tax-exempt obligations (including this contract) made during this calendar year (since January 1)

Legal Counsel's Opinion

Should be typed on counsel's letterhead

IRS Form 8038-G (or 8038-GC)

No 2 - List Your Fed I D No Sign & Date

~~Uniform Commercial Code Form~~

Sign & Date

Special Stipulations
Exhibit A

Sign & Date

Lease Schedule
Exhibit B

2nd line - Date of Contract
 Sign & Date

Acceptance Notice
Exhibit C

2nd line - Date of Contract
 Date of Contract
 Sign & Date

* Insurance Certificate or Statement

Send proof of insurance

Loss Payee on Physical Damage

Updated Financial Statements (Audit)

Please include your most recent Updated Financial Audit

* Invoice

Advance rental Payments in arrears

PLEASE RETURN ALL EXECUTED DOCUMENTS TO

Regular Mail
Municipal Specialist
BancorpSouth Equipment Finance
PO Box 15097
Hattiesburg, MS 39404-0597

Overnight Mail
Municipal Specialist
BancorpSouth Equipment Finance
12 Thompson Park
Hattiesburg, MS 39401

**RESOLUTION AUTHORIZING AND APPROVING EXECUTION
OF AN EQUIPMENT LEASE-PURCHASE AGREEMENT WITH
BANCORPSOUTH EQUIPMENT FINANCE, A DIVISION OF BANCORPSOUTH
BANK
FOR THE PURPOSE OF LEASE-PURCHASING CERTAIN EQUIPMENT**

WHEREAS, the Board of Supervisors, the Governing Body (the "Governing Body") of Clay County, Mississippi (the "Lessee"), acting for and on the behalf of the Lessee hereby finds, determines and adjudicates as follows

1 The Lessee desires to enter into an Equipment Lease-Purchase Agreement with the Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" (the "Agreement") with BancorpSouth Equipment Finance, a division of BancorpSouth Bank (the "Lessor") for the purpose of presently purchasing the equipment as described therein for the total cost specified therein (collectively the "Equipment") and to purchase such other equipment from time to time in the future upon appropriate approval,

2 The Lessee is authorized pursuant to Section 31-7-13(e) of the Mississippi Code of 1972, as amended, to acquire equipment and furniture by Lease-Purchase agreement and pay interest thereon by contract for a term not to exceed 5 years,

3 It is in the best interest of the residents served by Lessee that the Lessee acquire the Equipment pursuant to and in accordance with the terms of the Agreement, and

4 It is necessary for the Lessee to approve and authorize the Agreement

5 The Lessee desires to designate the Agreement as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986 (the "Code")

NOW, THEREFORE, BE IT RESOLVED by this Governing Body for and on behalf of the Lessee as follows

Section 1 The Agreement and Exhibits attached thereto in substantially the same form as attached hereto as Exhibit "A" by and between the Lessor and the Lessee is hereby approved and *Lynn Horton* (the "Authorized Officer") is hereby authorized and directed to execute said Agreement on behalf of the Lessee

Section 2 The Agreement is being issued in calendar year 2015

Section 3 Neither any portion of the gross proceeds of the Agreement nor the Equipment identified to the Agreement shall be used (directly or indirectly) in a trade or business carried on by any person other than a governmental unit, except for such use as a member of the general public

Section 4 No portion of the rental payments identified in the Agreement (a) is secured, directly or indirectly by property used or to be used in a trade or business carried on by a person other than a governmental unit, except for such use as a member of the general public, or by payments in respect of such property, or (b) is to be derived from payments (whether or not to Lessee) in respect of property or borrowed money used or to be used for a trade or business carried on by any person other than a governmental unit

Section 5 No portion of the gross proceeds of the Agreement are used (directly or indirectly) to make or finance loans to persons other than governmental units

Section 6 Lessee hereby designates the Agreement as a qualified tax-exempt obligation for purposes of Section 265(b) of the Code

Section 7 In calendar year 2015, Lessee has designated \$ 39,500.00 of tax-exempt obligations (including the Agreement) as qualified tax-exempt obligations. Including the Agreement herein so designated, Lessee will not designate more than \$10,000,000 of obligations issued during calendar year 2015 as qualified tax-exempt obligations

Section 8 Lessee reasonably anticipates that the total amount of tax-exempt obligations (other than private activity bonds) to be issued by Lessee during calendar year 2015 will not exceed \$10,000,000


Section 9 For purposes of this resolution, the amount of Tax-exempt obligations stated as either issued or designated as qualified tax-exempt obligations includes tax-exempt obligations issued by all entities deriving their issuing authority from Lessee or by an entity subject to substantial control by Lessee, as provided in Section 265(b)(3)(E) of the Code

Section 10 The Authorized Officer is further authorized for and on behalf of the Governing Body and the Lessee to do all things necessary in furtherance of the obligations of the Lessee pursuant to the Agreement, including execution and delivery of all other documents necessary or appropriate to carry out the transactions contemplated thereby in accordance with the terms and provisions thereof

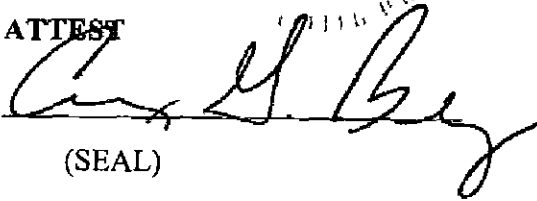
Following the reading of the foregoing resolution, Luke Lunnus moved that the foregoing resolution be adopted, Floyd McKeel seconded the motion for its adoption. The President Horton put the question to a roll call vote and the result was as follows

<u>Lynn Horton</u>	Voted	<u>Aye</u>
<u>Luke Lunnus</u>	Voted	<u>Aye</u>
<u>B. B. Davis</u>	Voted	<u>not present</u>
<u>Sheldon Davis</u>	Voted	<u>not present</u>
<u>Floyd McKeel</u>	Voted	<u>Aye</u>
_____	Voted	_____
_____	Voted	_____

The motion having received the affirmative vote of all members present, the President Horton declared the motion carried and the resolution adopted this the 10th day of February, 2015


(presiding officer), Title

ATTEST


(SEAL)

**Information Return for Small Tax-Exempt
Governmental Bond Issues, Leases, and Installment Sales**

Under Internal Revenue Code section 149(e)

Caution If the issue price of the issue is \$100 000 or more use Form 8038 G

Part I Reporting Authority

Check box if Amended Return

1 Issuer's name
Clay County, Mississippi

2 Issuer's employer identification number (EIN)
6 4 6 0 0 0 2 5 2

3 Number and street (or P O box if mail is not delivered to street address)
P O Box 815

Room/suite

4 City town or post office state and ZIP code
West Point, MS 39773 0815

5 Report number (For IRS Use Only)

6 Name and title of officer or other employee of issuer or designated contact person whom the IRS may call for more information

7 Telephone number of officer or legal representative
(662) 494-3124

Part II Description of Obligations Check one a single issue or a consolidated return

8a Issue price of obligation(s) (see instructions)	8a	39 500	00
b Issue date (single issue) or calendar date (consolidated) Enter date in mm/dd/yyyy format (for example 01/01/2009) (see instructions)	[REDACTED]		
9 Amount of the reported obligation(s) on line 8a that is	9a		
a For leases for vehicles	9b		
b For leases for office equipment	9c		
c For leases for real property	9d		
d For leases for other (see instructions)	9e		
e For bank loans for vehicles	9f		
f For bank loans for office equipment	9g		
g For bank loans for real property	9h		
h For bank loans for other (see instructions)	9i		
i Used to refund prior issue(s)	9j		
j Representing a loan from the proceeds of another tax exempt obligation (for example bond bank)	9k		
k Other			
10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception) check this box			<input type="checkbox"/>
11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate check this box (see instructions)			<input type="checkbox"/>
12 Vendor's or bank's name			
13 Vendor's or bank's employer identification number			

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

Signature and Consent
Signature of issuer's authorized representative: [Signature] Date: 2/10/15 Type or print name and title: [Signature]

Paid Preparer Use Only
Print/Type preparer's name: Preparer's signature: Date: Check if self-employed PTIN:
Firm's name: Firm's EIN:
Firm's address: Phone no:

General Instructions
Section references are to the Internal Revenue Code unless otherwise noted
What's New
The IRS has created a page on IRS.gov for information about the Form 8038 series and its instructions at www.irs.gov/form8038 information about any future developments affecting the Form 8038 series (such as legislation enacted after we release it) will be posted on that page
Purpose of Form
Form 8038-GC is used by the issuers of tax exempt governmental obligations to provide the IRS with the information required by section 149(e) and to monitor the requirements of sections 141 through 150

Who Must File
Issuers of tax-exempt governmental obligations with issue prices of less than \$100 000 must file Form 8038-GC
Issuers of a tax exempt governmental obligation with an issue price of \$100 000 or more must file Form 8038-G Information Return for Tax Exempt Governmental Obligations
Filing a separate return for a single issue
Issuers have the option to file a separate Form 8038-GC for any tax exempt governmental obligation with an issue price of less than \$100 000
An issuer of a tax exempt bond used to finance construction expenditures must file a separate Form 8038-GC for each issue to give notice to the IRS that an election was made to

pay a penalty in lieu of arbitrage rebate (see the line 11 instructions)
Filing a consolidated return for multiple issues
For all tax exempt governmental obligations with issue prices of less than \$100 000 that are not reported on a separate Form 8038-GC an issuer must file a consolidated information return including all such issues issued within the calendar year
Thus an issuer may file a separate Form 8038-GC for each of a number of small issues and report the remainder of small issues issued during the calendar year on one consolidated Form 8038-GC However if the issue is a construction issue a separate Form 8038-GC must be filed to give the IRS notice of the election to pay a penalty in lieu of arbitrage rebate


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SPECIAL STIPULATIONS

LESSOR BancorpSouth Equipment Finance,
a division of BancorpSouth Bank
P O Box 15097
12 Thompson Park
Hattiesburg, MS 39404-5097

By _____
Title _____
Date _____

LESSEE Clay County, Mississippi
P O Box 815
West Point, MS 39773-0815

By  _____
Title President
Date 2/10/15

--NONE--

EQUIPMENT LEASE SCHEDULE

Lease Schedule Number 009

This Lease Schedule No 009 to the Equipment Lease-Purchase Agreement dated as of _____ (the "Agreement") between BancorpSouth Equipment Finance, a division of BancorpSouth Bank, a Mississippi Corporation (the "Lessor") and Clay County, Mississippi (the "Lessee"), acting by and through the Board of Supervisors, the Governing Body of the Lessee, is made as of this date

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

2 Location of the Equipment. The Equipment is to be located and delivered to Lessee's premises at _____

3 Original Rental Term. The term of the Agreement shall be 4 years

4 Rental Payments. The Lessee agrees to pay the Lessor the original cost of \$39,500 00 for the Equipment hereof described in Exhibit "B-1" attached hereto, upon the terms, and at the times as provided in the Payment Amortization Schedule, attached hereto as Exhibit "B-2" and made a part hereof, with an interest rate of 1 82 percent per annum as provided thereby

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

DATED, this the _____ day of _____,

LESSOR

BancorpSouth Equipment Finance, a division of BancorpSouth Bank

By _____
Title _____

LESSEE

Clay County, Mississippi

By [Signature]
Title President



EXHIBIT B-1

Clay County Mississippi

Master Lease Number 7073C

Schedule Number 09

Kubota Tractor S/N _____

EQUIPMENT ACCEPTANCE NOTICE

TO BancorpSouth Equipment Finance, a division of BancorpSouth Bank

RE Equipment Lease-Purchase Agreement dated as of _____

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

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

LESSEE

Clay County, Mississippi

By [Signature]
Title President
Date 2/10/15

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EXHIBIT C

InfoAnalysis
Payment Amortization Report

DRAFT

Dates may change at closing

Interest Rate **1 8200% (Monthly)**

Per	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
0	3/10/15	0 00	0 00	0 00	39 500 00	0 00	0 00	39 500 00
1	4/10/15	853 86	793 95	59 91	38 706 05	59 91	0 00	38 706 05
2	5/10/15	853 86	795 15	58 70	37 910 90	58 70	0 00	37 910 90
3	6/10/15	853 86	796 36	57 50	37 114 54	57 50	0 00	37 114
4	7/10/15	853 86	797 57	56 29	36 316 97	56 29	0 00	36 316
5	8/10/15	853 86	798 78	55 08	35 518 19	55 08	0 00	35 518 19
6	9/10/15	853 86	799 99	53 87	34 718 20	53 87	0 00	34 718 20
	2015	5 123 15	4 781 80	341 35		341 35		
7	10/10/15	853 86	801 20	52 66	33 917 00	52 66	0 00	33 917 00
8	11/10/15	853 86	802 42	51 44	33 114 58	51 44	0 00	33 114 58
9	12/10/15	853 86	803 63	50 22	32 310 95	50 22	0 00	32 310 95
10	1/10/16	853 86	804 85	49 00	31 506 10	49 00	0 00	31 506 10
11	2/10/16	853 86	806 07	47 78	30 700 02	47 78	0 00	30 700 02
12	3/10/16	853 86	807 30	46 56	29 892 73	46 56	0 00	29 892 73
13	4/10/16	853 86	808 52	45 34	29 084 21	45 34	0 00	29 084 21
14	5/10/16	853 86	809 75	44 11	28 274 46	44 11	0 00	28 274 46
15	6/10/16	853 86	810 97	42 88	27 463 49	42 88	0 00	27 463 49
16	7/10/16	853 86	812 20	41 65	26 651 28	41 65	0 00	26 651 28
17	8/10/16	853 86	813 44	40 42	25 837 84	40 42	0 00	25 837 84
18	9/10/16	853 86	814 67	39 19	25 023 17	39 19	0 00	25 023 17
	2016	10 246 29	9 695 03	551 26		551 26		
19	10/10/16	853 86	815 91	37 95	24 207 27	37 95	0 00	24 207 2
20	11/10/16	853 86	817 14	36 71	23 390 12	36 71	0 00	23 390 1
21	12/10/16	853 86	818 38	35 48	22 571 74	35 48	0 00	22 571 74
22	1/10/17	853 86	819 62	34 23	21 752 12	34 23	0 00	21 752 12
23	2/10/17	853 86	820 87	32 99	20 931 25	32 99	0 00	20 931 25
24	3/10/17	853 86	822 11	31 75	20 109 14	31 75	0 00	20 109 14
25	4/10/17	853 86	823 36	30 50	19 285 78	30 50	0 00	19 285 78
26	5/10/17	853 86	824 61	29 25	18 461 17	29 25	0 00	18 461 17
27	6/10/17	853 86	825 86	28 00	17 635 31	28 00	0 00	17 635 31
28	7/10/17	853 86	827 11	26 75	16 808 20	26 75	0 00	16 808 20
29	8/10/17	853 86	828 37	25 49	15 979 84	25 49	0 00	15 979 84
30	9/10/17	853 86	829 62	24 24	15 150 21	24 24	0 00	15 150 21
	2017	10 246 29	9 872 96	373 34		373 34		
31	10/10/17	853 86	830 88	22 98	14 319 33	22 98	0 00	14 319 33
32	11/10/17	853 86	832 14	21 72	13 487 19	21 72	0 00	13 487 19
33	12/10/17	853 86	833 40	20 46	12 653 79	20 46	0 00	12 653 79

Info Analysis
Payment Amortization Report

Interest Rate **18.200% (Monthly)**

Per	Date	Payment	Principal	Interest	Principal Balance	Accrued Interest	Accrued Int Bal	Net Balance
34	1/10/18	853.86	834.67	19.19	11,819.13	19.19	0.00	11,819.13
35	2/10/18	853.86	835.93	17.93	10,983.19	17.93	0.00	10,983.19
36	3/10/18	853.86	837.20	16.66	10,145.99	16.66	0.00	10,145.99
37	4/10/18	853.86	838.47	15.39	9,307.52	15.39	0.00	9,307.52
38	5/10/18	853.86	839.74	14.12	8,467.78	14.12	0.00	8,467.78
39	6/10/18	853.86	841.02	12.84	7,626.77	12.84	0.00	7,626.77
40	7/10/18	853.86	842.29	11.57	6,784.48	11.57	0.00	6,784.48
41	8/10/18	853.86	843.57	10.29	5,940.91	10.29	0.00	5,940.91
42	9/10/18	853.86	844.85	9.01	5,096.06	9.01	0.00	5,096.06
	2018	10,246.29	10,054.15	192.14		192.14		
43	10/10/18	853.86	846.13	7.73	4,249.93	7.73	0.00	4,249.93
44	11/10/18	853.86	847.41	6.45	3,402.52	6.45	0.00	3,402.52
45	12/10/18	853.86	848.70	5.16	2,553.82	5.16	0.00	2,553.82
46	1/10/19	853.86	849.98	3.87	1,703.84	3.87	0.00	1,703.84
47	2/10/19	853.86	851.27	2.58	852.56	2.58	0.00	852.56
48	3/10/19	853.86	852.56	1.29	0.00	1.29	0.00	0.00
	2019	5,123.15	5,096.06	27.09		27.09		
	Totals	40,985.18	39,500.00	1,485.18		1,485.18		

EXHIBIT C-1

Clay County, Mississippi

Master Lease Number 7073C

Schedule Number 09

Kubota Tractor S/N Ø59346



BancorpSouth Equipment Finance,
a division of BancorpSouth Bank
P O Box 15097
Hattiesburg, MS 39404-5097

To whom it may concern

It is our great pleasure to help be of assistance to you in your endeavor to finance vehicles or equipment with us here at BancorpSouth Equipment Finance. In our effort to help assist you in the financing of vehicles or equipment for your county or city, we are asking if you could provide us with a invoice from the vendor pertaining to the equipment or vehicle(s) description along with proof of insurance. On the insurance binder in regards to the proof of insurance we also ask that BancorpSouth Equipment Finance be listed as **"Loss Payee on physical damage"** for the leased or financed equipment to be mailed back to us along with the invoice and the Executing Documents/Lease Purchase Agreement or Contract. If you would be so kind to send the requested documentation to our mailing address at Post Office Box 15097 Hattiesburg, MS 39404-5097 it would greatly be appreciated. If you have any further questions please feel free to contact us at 601-544-3252. Thank you for your regards in this matter.

Respectfully,

BancorpSouth Equipment Finance

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EDWARDS, STOREY, MARSHALL, HELVESTON & EASTERLING, LLP

ATTORNEYS AT LAW

A M EDWARDS JR
1926-2007

PO BOX 835 103 E BROAD STREET
WEST POINT MS 39773

PHONE (662) 494-5184 FAX (662) 494-4836
E-MAIL esmhc@esmhc.net
WEBSITE [http //www esmhc net](http://www.esmhc.net)

THOMAS B STOREY JR
ROBERT B MARSHALL JR
JAMES C HELVESTON
MICHELLE D EASTERLING

March 4, 2015

BancorpSouth Equipment Finance
A division of BancorpSouth
P O Box 15097
Hattiesburg, MS 39404-5097

RE Lease-Purchase of Equipment by Clay County, MS
Schedule No 009 to Master Lease No 7073C

Gentlemen

Pursuant to your request, we hereby render the following opinion regarding the Governmental Lease Purchase Agreement (the "Agreement"), dated February 10, 2015, between the Board of Supervisors of Clay County, Mississippi (the "Lessee") and, BancorpSouth Equipment Finance (the "Lessor")

We have acted as counsel to the Lessee with respect to certain legal matters pertaining to the Agreement, and to the transactions contemplated thereby. We are familiar with the Agreement and we have examined such agreements, schedules, statements, certificates, records, including minutes of the governing body of the Lessee and any other governing authority, and other instruments of public officials, Lessee, and other persons, as we have considered necessary or proper as a basis for the opinions hereinafter stated.

Based on such examination, we are of the opinion that

- 1 Lessee has full power, authority and legal right to purchase equipment, as defined in the Agreement, and to execute, deliver and perform the terms of the Agreement. The purchase of the equipment and the execution, delivery and performance of the Agreement has been duly authorized by all necessary action on the part of Lessee and any other governing authority and does not require the approval of, or giving of notice to, any other federal, state, local, or foreign governmental authority and does not contravene any law binding on Lessee or contravene any indenture, credit agreement or other agreement to which Lessee is a party or by which it is bound. The Agreement grants the Lessor a valid, first priority security interest in the Equipment.

- 2 The agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding obligation of Lessee, enforceable in accordance with its terms
- 3 All required procedures and laws for the purchase of the equipment and the execution, delivery and performance of the Agreement, including competitive bidding, if applicable, have been complied with, and all will be paid out of funds which are legally available for such purposes
- 4 With respect to the tax-exempt status of the portion of rental payments under the Agreement, under present law
 - (a) The Agreement is a conditional sales agreement which qualifies as an obligation for purposes of Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury regulations and rulings thereunder
 - (b) The interest portion of the rental payments under the terms of the Agreement is exempt from federal income taxation pursuant to Section 103(a) of the Code and the Treasury regulations and rulings thereunder. The interest portion of the rental payments under the terms of the Agreement is exempt from Mississippi Income Taxation
- 5 The Lessee has designated the Agreement as a qualified tax-exempt obligation of Lessee for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986
- 6 There are no pending or threatened actions or proceedings before any court, administrative agency or other tribunal or body against Lessee which may materially affect Lessee's financial condition or operations, or which could have any effect whatsoever upon the validity, performance or enforceability of the terms of the Agreement

This opinion is being furnished to you in connection with the above-referenced transaction. The opinions expressed herein are for the sole benefit of and may be relied upon by the Lessor and its assigns and are not to be delivered to or relied upon by any other party without prior written consent.

Sincerely,

Robert B. Marshall, Jr
RBM/vjr

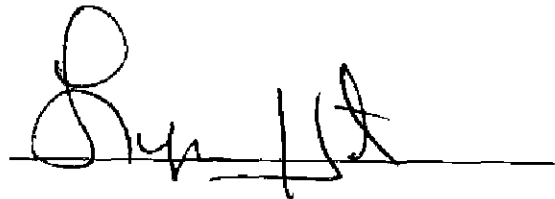
NO _____

**IN THE MATTER OF AUTHORIZING TO SPREAD ON THE MINUTES THE
APPROVAL AS RECEIVED FROM THE STATE FIRE MARSHALL'S OFFICE ON
THE VOLUNTEER FIRE TRUCK SPECIFICATIONS**

There came on this day for consideration the matter of authorizing to spread on the minutes the approval as received from the State Fire Marshall's Office on the Volunteer Fire Truck Specifications

After motion by Luke Lummus and second by Floyd McKee this Board doth vote unanimously authorize and approve to spread on the minutes the approval as received from the MS State Fire Marshall's office approving the volunteer fire truck specifications to be purchased for units 400 and 500, respectively, as attached hereto as Exhibit A

SO ORDERED this the 10th day of February, 2015

A handwritten signature in black ink, appearing to be "D. Lummus", written over a horizontal line.

President

Amy Berry

From Brad Smith <Brad.Smith@mid.ms.gov>
Sent Monday, February 09, 2015 8:37 AM
To Amy Berry
Cc BJ McClenton, Tennia Carter
Subject RE: Clay County VF Truck Specs

The specifications are approved and you are good to go!

Brad Smith
State Fire Coordinator
Mississippi Insurance Department
State Fire Marshal's Office
Division of Fire Services Development
P O Box 79
Jackson, MS 39205-0079
Office 601-359-1062
Fax 601-359-1076
Mobile 601-624-5846
Email Brad.Smith@mid.ms.gov

From Amy Berry [<mailto:aberry@claycounty.ms.gov>]
Sent Tuesday, February 03, 2015 5:19 PM
To Brad Smith
Cc BJ McClenton
Subject Clay County VF Truck Specs

Brad,

Attached please find Clay County VF Fire Truck specs as approved by the BOS at their meeting Monday, February 2, 2015. I think Tina said I did not need to mail, to just email.

At this point, we will await to hear from your office on the specification approval. Once we receive that, we will proceed forward in issuing PO and getting trucks. The trucks are already assembled, built, and ready to go. So, we should be good on meeting the deadline of June 30, 2015. Thank you for your help!

From chanceryofficecopier@claycounty.ms.gov [<mailto:chanceryofficecopier@claycounty.ms.gov>]
Sent Tuesday, February 03, 2015 4:43 PM
To Amy Berry
Subject Attached Image

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Disclaimer: This message may contain confidential information. If you are not the intended recipient you are notified that disclosing, copying, distributing or taking any action in reliance on the contents of this information is strictly prohibited. In the event that you have received this message in error please destroy this email and kindly notify the sender by reply. If you or your employer does not consent to using email for messages of this kind, please notify us immediately by replying to this email. The Mississippi

Insurance Department does not endorse any opinions, conclusions, and/or other information contained in this message that does not relate to the official business of the Mississippi Insurance Department.

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NO _____

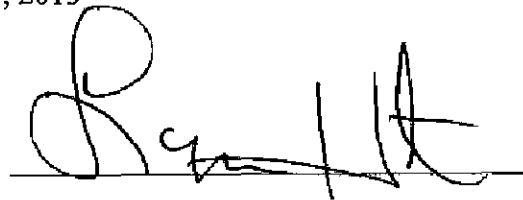
**IN THE MATTER OF AUTHORIZING AND APPROVING OF THE MAINTENANCE
AGREEMENT WITH ELECTION SYSTEMS & SOFTWARE, LLC FOR THE
COUNTY ELECTION MACHINES**

There came on this day for consideration the matter of authorizing and approving of the maintenance agreement with Election Systems & Software, LLC for the county election machines

It appears to this Board the Circuit Clerk, Bob Harrell, is requesting this Board to consider the maintenance agreement with Election Systems & Software, LLC in the amount of \$ 4,019 00 as attached hereto as Exhibit A which would provide maintenance services on the county voting machines owned by Clay County for a 12 month period and is requesting the cost of the maintenance agreement to come from fund no 108, Help MS Vote Fund

After motion by Luke Lummus and second by R B Davis this Board doth vote unanimously to authorize and approve of the said maintenance agreement with Election Systems & Software, LLC, as attached hereto as Exhibit A and further authorizes the President to execute the said documents

SO ORDERED this the 10th day of February, 2015

A handwritten signature in black ink, appearing to be 'R. B. Davis', written over a horizontal line.

President

Election Systems & Software, LLC (ES&S) Purchase Order
 Coverage as selected below and for the twelve (12) month period beginning on January 1 2015

Please select Type of Coverage ~~On-Site Preventative Maintenance~~

ES&S HARDWARE MAINTENANCE DESCRIPTION AND FEES

Qty	Description	Annual Maintenance Fee Per Unit	Annual Maintenance Fee In Total
1	Accuvote OS Scanner	\$125 00	\$125 00
59	Accuvote TSX Terminal	\$66 00	\$3 894 00
TBD	Encoder	\$22 00	TBD
Total Annual Hardware Maintenance Fees			\$4,019 00

Note 1 The Per Unit Fees if Customer requests more than one Routine Maintenance visit in a 12-month period under the On-Site Preventative Maintenance Plan shall be 55% of the then current maintenance fee per unit

Note 2 Surcharge for Emergency Repair Services shall be 150% of the then current maintenance fee per unit.

Note 3 The Per Unit Surcharge for performance of Routine Maintenance visit at more than one Customer Designated Location shall be \$25 00 per unit for all units located at second or more locations

Note 4 Upon expiration of the Initial Term, this Agreement shall automatically renew for an unlimited number of successive one year periods (each a "Renewal Period") until this Agreement is terminated according to Article I Section 1


Payment Terms Hardware Maintenance and Support Fees are due and payable no later than thirty (30) days prior to the beginning of each maintenance and support period

The parties hereby agree that this Purchase Order and the Hardware Maintenance and Software Maintenance and Support Services General Terms attached hereto and fully incorporated herein by this reference (collectively the Agreement) represents a binding agreement between ES&S and Customer for the purchase of Hardware Maintenance Support Services Further the undersigned Customer hereby agrees to purchase such Hardware Maintenance and Support Services from ES&S as set forth herein The undersigned Customer hereby agrees to the Hardware Maintenance and Support Services General Terms and acknowledges that he or she has read the entire Agreement understands it and fully intends to be bound by it. The undersigned Customer hereby certifies that 1) sufficient funds are available for any of this purchase that exceeds my allocation of state and/or federal funding and 2) any amount not funded by state and/or federal funds has been authorized and appropriated for this purchase As of the date of the signature below the undersigned Customer has full power and authority to enter into and perform this Agreement and has been properly authorized to execute and deliver this Agreement on behalf of the County/State as set forth above

ES&S Signature _____ Date _____

Print Name _____

Title _____

 _____ 2-10-15
 Customer Signature _____ Date _____

Lynn Horton
 Print Name _____

President of Clay Co Board of Supervisors
 Title _____

Customer
 Contact Person
 Address
 City ST Zip Code
 Phone Number
 Fax Number

<u>Clay County, Mississippi</u>
<u>Bob Harell</u>
<u>PO Box 815,</u>
<u>West Point, MS 39773</u>
<u>662-494-3384</u>
<u>662-495-2057</u>

**ELECTION SYSTEMS & SOFTWARE, LLC
HARDWARE MAINTENANCE AND SUPPORT SERVICES AGREEMENT**

THIS HARDWARE MAINTENANCE AND SUPPORT SERVICES AGREEMENT ("Agreement") is made effective as of the date set forth below by and between Election Systems & Software LLC a Delaware Limited Liability Company ("ES&S") and the ("Customer") as designated on the Purchase Order

RECITALS

- A ES&S has sold to Customer the proprietary voter tabulation equipment (Equipment) described on the Purchase Order and Customer now desires to obtain maintenance services for such Equipment
- B ES&S has agreed to provide such services as selected by the Customer on the Purchase Order subject to the terms and conditions of this Agreement
- C This Agreement supersedes and replaces in their entirety any and all prior agreements between ES&S and Customer respecting maintenance services for such Equipment

NOW THEREFORE in consideration of the foregoing recitals (which are specifically incorporated herein by this reference) and the mutual representations, warranties covenants and agreements set forth below the parties hereby agree as follows

**ARTICLE I
GENERAL**

1 **Term, Termination** This Agreement shall be in effect for the coverage period as described on the Purchase Order (the Initial Term")

2 **Fees** In consideration for ES&S agreement to provide Hardware Maintenance Services under this Agreement Customer shall pay to ES&S the Hardware Maintenance Fees set forth on the Purchase Order for the Initial Term If Customer elects to receive Hardware Maintenance Services for an Add-On License or New Product during the Initial Term ES&S will charge an incremental fee for such services

**ARTICLE II
HARDWARE**

1 **Maintenance Services** The Hardware Maintenance Services to be provided to Customer under this Agreement for the ES&S equipment set forth on the Purchase Order (the Products) shall be subject to the following terms and conditions

a **Routine Maintenance Services (To be provided for the On-Site Preventative Maintenance Program Only)** An ES&S Representative shall provide such services as may be necessary to keep the Products working in accordance with their Documentation normal wear and tear excepted (Normal Working Condition) The services provided by ES&S pursuant to this Subsection 1(a) are referred to herein as "Routine Maintenance Services Routine Maintenance Services shall be provided once during the Initial Term Generally Routine Maintenance Services shall include cleaning lubrication diagnostic check and calibration services The Routine Maintenance Services shall not include the repair or replacement of any ES&S Equipment components that are consumed in the normal course of operating the Equipment including but not limited to printer ribbons printer cartridges paper rolls batteries removable media storage devices PCMCIA cards or marking devices Customer may request that Routine Maintenance Services be performed more than once during the Initial Term Any such request shall be made at least sixty (60) days before the Routine Maintenance Services are desired The per-unit fee for such additional Routine Maintenance Services is set forth on the Purchase Order and shall be due within thirty (30) days after invoice date At the request of Customer ES&S shall provide a

reasonably detailed record of all Routine Maintenance Services performed with respect to the Products. ES&S will schedule the Routine Maintenance Services with Customer. The Routine Maintenance Services will be provided at Customer's Designated Location. Customer's Designated Location" shall mean Customer's owned or leased facility at which Customer desires ES&S to perform the Hardware Maintenance Services.

b Repair Services (To be provided for the Depot Repair and On-Site Preventative Maintenance Programs)

i **Defects Under Normal Use and Service**. If a defect or malfunction occurs in any Product while it is under normal use and service, Customer shall promptly notify ES&S, and ES&S shall use reasonable efforts to restore the item to Normal Working Condition as soon as practicable. The services provided by ES&S pursuant to this Subsection 1(b)(i) are referred to herein as "Repair Services." ES&S will perform Repair Services at ES&S "depot location" unless otherwise mutually agreed upon by the parties. Customer shall be responsible for the costs of delivering/shipping the Products to ES&S Depot location, including insurance.

ii **Defects Due to Customer Actions or Omissions**. If a defect or malfunction occurs in any Product as a result of (1) repairs, changes, modifications or alterations not authorized or approved by ES&S, (2) accident, theft, vandalism, neglect, abuse or use that is not in accordance with instructions or specifications furnished by ES&S or (3) causes beyond the reasonable control of ES&S or Customer, including acts of God, fire, flooding, riots, acts of war, terrorism or insurrection, labor disputes, transportation delays, governmental regulations and utility or communication interruptions, rodent infestation, or if Customer does not notify ES&S within 72 hours after it knows of the defect or malfunction or is otherwise not in compliance with its obligations hereunder, Customer shall pay ES&S for the Repair Services at ES&S then-current rates, as well as for the cost of all parts used in connection with such Repair Services.

iii **Timing**. The date(s) on which any Repair Services shall be provided shall be mutually agreed upon by ES&S and Customer. If Customer requires ES&S to provide "emergency" Repair Services (which shall be defined as Repair Services that are provided by ES&S within 48 hours after Customer notifies ES&S of the need therefor), and such emergency Repair Services are not needed as a result of an action, error or omission by ES&S, Customer shall pay a surcharge, as set forth on the Purchase Order.

iv **Loaner Unit**. At Customer's request and if such product is available, ES&S shall use reasonable efforts to promptly make available to Customer a product that is the same as, or substantially similar to, the Product for which Repair Services are being performed (a "Loaner Unit"). If the Repair Services are being performed pursuant to Subsection 1(b)(i) above, Customer shall pay ES&S for the use of the Loaner Unit at ES&S then-current rates, including the cost of shipping.

c **Exclusions**. ES&S has no obligation under this Agreement to (i) assume the obligations under any existing or expired warranty for a third party item, (ii) repair or replace Product components that are consumed in the normal course of operating the Product, including but not limited to, printer ribbons, printer cartridges, paper rolls, batteries, removable media storage devices, PCMCIA cards or marking devices, or (iii) repair any Product from which the serial number has been removed or altered.

d **Sole Provider; Access**. Customer shall not permit any individual other than an ES&S Representative to provide maintenance or repairs with respect to the Products for so long as the Initial Term is in effect. Customer shall provide ES&S Representatives with all information necessary to enable them to provide Hardware Maintenance Services. Customer shall likewise provide full access to the Products and adequate working space for all Hardware Maintenance

Services performed at its Designated Location including sufficient heat lights ventilation electric current and outlets

e **Storage.** When not in use, Products should be stored in a clean secure environment During operation of the Products the facility temperature range should be 50° to 104° and the moisture range should be 10% to 50% relative humidity

ARTICLE III MISCELLANEOUS

1 **Taxes, Interest.** Customer shall provide ES&S with proof of its tax-exempt status If Customer does not provide such proof it shall pay or shall reimburse ES&S for all sales and use excise or other similar taxes imposed on the transactions contemplated by this Agreement provided, however Customer shall in no event be liable for taxes imposed on or measured by ES&S income If Customer disputes the applicability of any tax to be paid pursuant to this Section 1 it shall pay the tax and may thereafter seek a refund Any disputed or undisputed payment not paid by Customer to ES&S when due shall bear interest from the due date at a rate equal to the lesser of one and one-half percent (1 5%) per month or the maximum amount permitted by applicable law for each month or portion thereof during which it remains unpaid

2 **Limitation of Liability.** Neither party shall be liable for any indirect, incidental, punitive exemplary, special or consequential damages of any kind whatsoever arising out of or relating to this Agreement Neither party shall be liable for the other party's negligent or willful misconduct ES&S total liability to Customer arising out of or relating to this Agreement shall not exceed the aggregate amount to be paid to ES&S hereunder Any action by Customer against ES&S must be commenced within one (1) year after the cause of action has accrued By entering into this Agreement, Customer agrees to accept responsibility for (a) the selection of the Products to achieve Customer's intended results, (b) the use of the Products (c) the results obtained from the use of the Products (d) the selection of, use of and results obtained from any equipment, software or services not provided by ES&S and used with the Products or (e) user errors voter errors or problems encountered by any individual in voting that are not otherwise a result of the failure of ES&S to perform ES&S shall not be liable under this Agreement for any claim, damage loss, judgment penalty cost amount paid in settlement or fee that is caused by Customer's election not to receive or to terminate the Hardware Maintenance Services

3 **Excusable Nonperformance.** Except for obligations to make payments hereunder if either party is delayed or prevented from performing its obligations under this Agreement as a result of any cause beyond its reasonable control, including acts of God, fire, riots acts of war terrorism or insurrection labor disputes transportation delays, governmental regulations and utility or communication interruptions, the delay shall be excused during the continuance of, and to the extent of such cause, and the period of performance shall be extended to the extent necessary to allow performance after the cause of delay has been removed ES&S agrees to work with Customer at Customer's request to develop mutually agreeable alternatives in order to minimize the negative impact of any such delay

4 **Notice.** Any notice or other communication required or permitted hereunder shall be in writing and will be deemed given when (a) delivered personally, (b) sent by confirmed email, (c) sent by confirmed fax (d) sent by commercial overnight courier (with written verification of receipt) or (e) sent by registered or certified mail return receipt requested, postage prepaid when the return receipt is received All communications shall be sent to the attention of the persons listed on the signature page to this Agreement and at the addresses email address or fax numbers set forth on such signature page unless other names addresses or fax numbers are provided by either or both parties in accordance herewith

5 **Entire Agreement.** This Agreement including all exhibits hereto shall be binding upon and inure to the benefit of the parties and their respective representatives successors and assigns This Agreement including the Purchase Order (which is specifically incorporated herein by this reference)

contains the entire agreement of the parties with respect to the subject matter hereof and supersedes and replaces any and all other prior or contemporaneous discussions negotiations agreements or understandings between the parties whether written or oral, regarding the subject matter hereof. Any provision of any purchase order form or other agreement which conflicts with or is in addition to the provisions of this Agreement shall be of no force or effect. In the event of any conflict between a provision contained in an Attachment to this Agreement and these General Terms the provision contained in the Attachment shall control. No waiver amendment or modification of any provision of this Agreement shall be effective unless in writing and signed by the party against whom such waiver, amendment or modification is sought to be enforced. No consent by either party to, or waiver of, a breach by either party shall constitute a consent to or waiver of any other different or subsequent breach by either party. This Agreement shall be governed by and construed in accordance with the laws of the State of Mississippi, USA, without regard to its conflicts of laws principles. ES&S is providing services to Customer as an independent contractor and shall not be deemed to be a "state actor" for purposes of 42 U.S.C. § 1983. ES&S may engage subcontractors to provide certain of the services but shall remain fully responsible for such performance. The provisions of Article 2 Section 1(f) and Article 3, Sections 1-6 shall survive the termination of this Agreement to the extent applicable.

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Attachment 1
Hardware Maintenance Services Provided by ES&S Under the Agreement

- 1 Telephone support
- 2 Issue Resolution
- 3 Technical Bulletins will be available through Customer's ES&S Web-based portal
- 4 On-Site Preventative Maintenance Services Program Only
 - Onsite scheduled maintenance inspection per Article 2 Section 1a The inspection includes
 - Service performed by an ES&S trained and certified technician
 - Performance of factory approved diagnostics on the unit identifying and making adjustments where necessary as indicated by the testing
 - Replacement of worn or defective with new or remanufactured federally and state certified parts
 - Conducting a final test to verify that the unit is working according to manufacturer's specifications
 - Use of a checklist tailored for each piece of equipment
 - Update of maintenance records which are kept by serial number and available to you through your ES&S Web-based portal
- 5 Depot Repair Services Program (Also included in the On-Site Preventative Maintenance Services Program)
 - Customer receives coverage for interm repair calls
 - Interm calls may be scheduled during the regular Routine Maintenance Services event or scheduled in conjunction with other service work being performed in close proximity of Customer's location if they are not election critical
 - Products shall be sent to ES&S Depot location for repairs at a time to be mutually agreed upon by ES&S and Customer
- 6 Priority Service
 - Customer has access to the ES&S Help Desk for assistance
 - The customer receives priority on service calls
 - The customer receives priority on response time
 - The customer receives priority on certified ES&S parts inventory

Note Except for those Hardware Maintenance Services specifically set forth herein ES&S is under no obligation and shall not provide other Hardware Maintenance Services to the Customer unless previously agreed upon in writing by the parties

**IN THE MATTER OF AUTHORIZING AND APPROVING THE PRESIDENT TO
EXECUTE THE FUELMAN CONTRACT TO PURCHASE GASOLINE FOR THE
SANITATION DEPARTMENT**

There came on this day for consideration the matter of authorizing and approving the President to execute the Fuelman contract to purchase gasoline for the Sanitation Department

It appears to this Board the Supervisor for the Sanitation Department, Luke Lummus, is requesting this Board to consider authorizing and approving the Sanitation Department to purchase gasoline on the Fuelman State of MS Fuelman Contract, and,

It appears that with the Fuelman contract, as approved by the State of MS Department of Purchasing, would allow the Sanitation Truck Drivers to fuel for gas with a County issued Fuelman Card from any designated and approved Fuelman vendor, which appears to be approximately, 3 gasoline vendors located on Hwy 45 which appears to be in close proximity to the Sanitation Shed, and,

Furthermore, it appears to this Board that as a result of the Fuelman contract the gas tank located at the Sanitation Shed will no longer be filled and used

After motion by Luke Lummus and second by Floyd McKee this Board doth vote unanimously to authorize and approve of the Sanitation purchasing gasoline on the State of MS Fuelman Contract and further authorizes the President to execute the said contract for the benefit of the Sanitation Department as attached hereto as Exhibit A

SO ORDERED this the 10th day of February, 2015



President

NO _____

IN THE MATTER OF AUTHORIZING AND APPROVING THE PRESIDENT TO EXECUTE THE FUELMAN CONTRACT TO PURCHASE GASOLINE FOR THE DISTRICT ONE ROAD DEPARTMENT

There came on this day for consideration the matter of authorizing and approving the President to execute the Fuelman contract to purchase gasoline for the District One Road Department

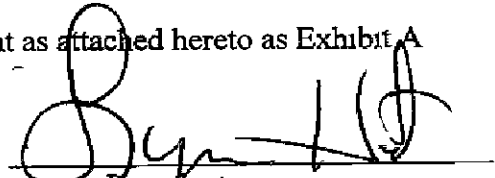
It appears to this Board the Supervisor for the District One, Lynn Horton, is requesting this Board to consider authorizing and approving the District One Road Department to purchase gasoline on the Fuelman State of MS Fuelman Contract, and,

It appears that with the Fuelman contract, as approved by the State of MS Department of Purchasing, would allow the District One Road Crew to purchase fuel for gas with a County issued Fuelman Card from any designated and approved Fuelman vendor, which appears to be approximately, 3 gasoline vendors located on Hwy 45 which appears to be in close proximity to the District One Shed, and,

Furthermore, it appears to this Board that as a result of the Fuelman contract the gas tank located at the District One Shed will no longer be filled and used

After motion by Luke Lummus and second by Floyd McKee this Board doth vote unanimously to authorize and approve of the District One Road Department to purchase gasoline on the State of MS Fuelman Contract and further authorizes the President to execute the said contract for the benefit of the District One Road Department as attached hereto as Exhibit A

SO ORDERED this the 10th day of February, 2015



President

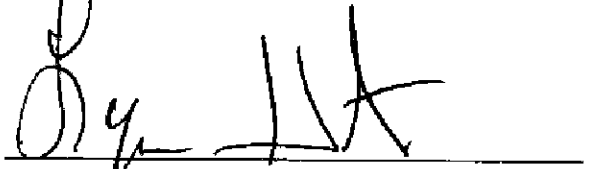
NO _____

IN THE MATTER OF RECESSING

There came on this day for consideration the matter of recessing

After motion by Luke Lummus and second by Floyd McKee this Board doth vote
unanimously to authorize to recess until Thursday, February 26, 2015, at 9 00 a m

SO ORDERED this the 10th day of February, 2015



President