

**MINUTES OF THE RECESS MEETING
OF THE MAYOR AND BOARD OF ALDERMEN
The City of Starkville, Mississippi
February 20, 2018**

Be it remembered that the Mayor and Board of Alderman met in a Recess Meeting on February 20, 2018 at 5:30 p.m. in the Courtroom of City Hall, located at 110 West Main Street, Starkville, MS. Present were Mayor Lynn Spruill, Aldermen Ben Carver, Sandra Sistrunk, David Little, Jason Walker, Patrick Miller, Roy A.' Perkins and Henry Vaughn, Sr. Attending the Board were City Clerk / CFO Lesa Hardin and City Attorney Chris Latimer.

Mayor Lynn Spruill opened the meeting with the Pledge of Allegiance followed by a moment of silence.

Mayor Lynn Spruill asked for any revisions to the Official Agenda.

REQUESTED REVISIONS TO THE OFFICIAL AGENDA:

Alderman Perkins requested Item XI. B. 2. b. be removed from Consent:

Special Event request by Emily Turner on behalf of Starkville Pride to hold the 2018 Pride Parade and have City participation with in-kind services on March 24, 2018.

1. MOTION TO ENTER INTO A CLOSED SESSION TO DETERMINE IF THERE IS PROPER CAUSE FOR EXECUTIVE SESSION.

Upon the Motion of Alderman Sistrunk, seconded by Alderman Miller, to enter into a Closed Session to determine if there is proper cause for Executive Session, the Board voted as follows: mission

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.
The Board entered closed session.

2. MOTION TO ENTER EXECUTIVE SESSION FOR THE PURPOSE OF PROSPECTIVE LITIGATION REGARDING A SPECIAL EVENT REQUEST BY EMILY TURNER ON BEHALF OF STARKVILLE PRIDE TO HOLD THE 2018 PRIDE PARADE AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES ON MARCH 24, 2018.

Alderman Sistrunk offered a motion to enter Executive Session for the purpose of prospective litigation regarding a Special Event request by Emily Turner on behalf of Starkville Pride to hold the 2018 Pride Parade and have City participation with in-kind services on March 24, 2018 on a finding that the proposed topic qualified for Executive Session. Following a second by Alderman Little, the Board voted as follows to enter Executive Session:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received an affirmative vote, the Mayor declared the motion passed.

The Mayor invited the public back in, and after allowing the public time to enter the room, made the announcement of the Board's decision to enter into Executive Session for the purpose of prospective litigation regarding a Special Event request by Emily Turner on behalf of Starkville Pride to hold the 2018 Pride Parade and have City participation with in-kind services on March 24, 2018 on a finding that the proposed topic qualified for Executive Session

At this time the Board entered Executive Session.

3. MOTION TO RETURN TO OPEN SESSION.

Upon the motion of Alderman Sistrunk, duly seconded by Alderman Vaughn, to return to Open Session, the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

The Mayor invited the public back in and then announced that the Board had not taken action in Executive Session.

Mayor Lynn Spruill then asked for any additional revisions to the Official Agenda.

Alderman Walker requested item XI. B. 2. d. be added to Consent:

Consideration of FP 18-04 Academy Hill Subdivision, Phase One Final Plat approval for subdividing +- 5.30-acre parcel into 26 (Phase One) lots located on Academy Road in a R-3A Zoning District.

There being no additional changes or objections to the proposed changes, the Mayor called for a motion to approve the Revised February 20, 2018 agenda with consent items.

4. A MOTION TO APPROVE THE AGENDA WITH CONSENT ITEMS.

Alderman Little offered a motion, duly seconded by Alderman Carver, to approve the February 20, 2018 Agenda as revised. Mayor Spruill then read the consented items after which the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion carried.

**OFFICIAL AGENDA OF
THE MAYOR AND BOARD OF ALDERMEN
OF THE
CITY OF STARKVILLE, MISSISSIPPI
RECESS MEETING OF TUESDAY, FEBRUARY 20, 2018
5:30 P.M., COURT ROOM, CITY HALL
110 WEST MAIN STREET**

PROPOSED CONSENT AGENDA ITEMS ARE HIGHLIGHTED

- I. CALL THE MEETING TO ORDER**
- II. PLEDGE OF ALLEGIANCE AND A MOMENT OF SILENCE**
- III. APPROVAL OF THE OFFICIAL AGENDA INCLUDING CONSENTED ITEMS**
- IV. APPROVAL OF THE BOARD OF ALDERMEN MINUTES**

CONSIDERATION OF THE MINUTES OF THE JANUARY 16, 2018 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

CONSIDERATION OF THE MINUTES OF THE FEBRUARY 2, 2018 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

CONSIDERATION OF THE MINUTES OF THE FEBRUARY 9, 2018 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

- V. ANNOUNCEMENTS AND COMMENTS**

A. MAYOR'S COMMENTS:

New Employee Introductions:

Fire Department

Elliot Johnson
Demorris Ewing
Garret Heaton

Municipal Court

Alicia Ann Hu

B. BOARD OF ALDERMEN COMMENTS:

VI. CITIZEN COMMENTS

VII. PUBLIC APPEARANCES

- A. JEREMIAH DUMAS PRESENTING A SMART BUS SYSTEM UPDATE WITH A PUBLIC HEARING.
- B. FISCAL YEAR 9/30/17 AUDIT PRESENTATION BY RANDY SCRIVNER OF WATKINS, WARD AND STAFFORD, PLLC.

VIII. PUBLIC HEARING

THERE ARE NO PUBLIC HEARINGS FOR THIS AGENDA

IX. MAYOR'S BUSINESS

- A. AUTHORIZATION TO ADVERTISE FOR CONSTRUCTION BIDS TO BRING THE CITY AND COUNTY LANDFILL INTO COMPLIANCE WITH MDEQ REQUIREMENTS ON THE FINAL COVER FOR THE PARTIAL CLOSURE OF CELL 5 AT THE LANDFILL LOCATED ON ROCKHILL ROAD.
- B. ACCEPTANCE OF THE STARKVILLE POLICE STATION AND RELEASE AND PAYMENT OF THE FINAL RETAINAGE TO WEATHERS CONSTRUCTION AND SHAFER & ASSOCIATES, PLLC.
- C. CONSIDERATION FOR 30 YOUTH, AND 7 COORDINATORS TO ATTEND MISSISSIPPI MUNICIPAL LEAGUE 2018 11TH ANNUAL STATEWIDE YOUTH LEADERSHIP SUMMIT, MARCH 2-3, 2018, AT JACKSON STATE UNIVERSITY, WITH FUNDS TO BE TAKEN FROM THE MAYOR YOUTH COUNCIL BUDGET.

X. BOARD BUSINESS

- A. CONSIDERATION OF THE ACCEPTANCE OF FISCAL YEAR 9-30-17 AUDIT.
- B. CONSIDERATION OF A RESOLUTION DIRECTING THE ISSUANCE OF THE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2018, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000).

- C. CONSIDERATION OF A RESOLUTION REFINANCING ALL OR A PORTION THE CITY'S 2007 GENERAL OBLIGATION PARKS AND RECREATION BONDS AND SERIES 2013 CERTIFICATES OF PARTICIPATION (CITY HALL PROJECT).
- D. CONSIDERATION OF A RESOLUTION AUTHORIZING AND APPROVING THE ENGAGEMENT OF CERTAIN PROFESSIONALS TO ASSIST WITH THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018.
- E. CONSIDERATION OF ADVERTISING FOR THE VACANT POSITION OF SCHOOL BOARD MEMBER CREATED BY THE RESIGNATION OF MELISSA LUCKETT.

XI. DEPARTMENT BUSINESS

A. AIRPORT

- 1. REQUEST APPROVAL TO ADVERTISE FOR LEASING AIRPORT TILLABLE LAND LOCATED SOUTH AND WEST OF THE RUNWAY AND TAXIWAY AND INSIDE THE FENCED AREA FOR ONE YEAR FOR FARMLAND AT GEORGE M. BRYAN FIELD.
- 2. REQUEST APPROVAL FOR (5) AIRPORT BOARD MEMBERS AND AIRPORT DIRECTOR RODNEY LINCOLN TO TRAVEL TO JACKSON, MS ON APRIL 4-6, 2018 AND ATTEND THE MISSISSIPPI AIRPORT ASSOCIATION (MAA) CONFERENCE.
- 3. REQUEST APPROVAL TO ENTER INTO AN AGREEMENT WITH MAXX SOUTH FOR FIBER INTERNET CONNECTION FOR THE TERMINAL BUILDING AT GEORGE M. BRYAN FIELD.

B. COMMUNITY DEVELOPMENT DEPARTMENT

1. CODE ENFORCEMENT

- a. CONSIDERATION OF CONDITIONS AT 100 EAST DR. MARTIN LUTHER KING, JR. DRIVE.

2. PLANNING

- a. REQUEST APPROVAL TO ADVERTISE AND OBTAIN BIDS FOR THE MOWING AND MAINTENANCE CONTRACTS FOR THE CITY CEMETERIES.
- b. A SPECIAL EVENT REQUEST BY EMILY TURNER ON BEHALF OF STARKVILLE PRIDE TO HOLD THE 2018 PRIDE PARADE AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES ON MARCH 24, 2018.

c. CONSIDERATION OF TRAVEL FOR DANIEL HAVELIN AND EMILY CORBAN TO ATTEND THE NATIONAL CONFERENCE OF THE AMERICAN PLANNING ASSOCIATION IN NEW ORLEANS, LA FOR TRAINING APRIL 21-24, 2018, NEW ORLEANS, LA WITH ADVANCE TRAVEL.

d. CONSIDERATION OF FP 18-04 ACADEMY HILL SUBDIVISION, PHASE ONE FINAL PLAT APPROVAL FOR SUBDIVIDING +- 5.30-ACRE PARCEL INTO 26 (PHASE ONE) LOTS LOCATED ON ACADEMY ROAD IN A R-3A ZONING DISTRICT.

A. COURTS

THERE ARE NO ITEMS FOR THIS AGENDA

B. ENGINEERING

1. CONSIDERATION OF APPROVAL OF ON-STREET PARKING AND TURN LANE ON COLLEGEVIEW STREET IN COORDINATION WITH THE CONSTRUCTION AS PART OF THE COLLEGEVIEW DEVELOPMENT (FORMERLY AIKEN VILLAGE).
2. CONSIDERATION OF APPROVAL OF ADVERTISEMENT FOR BIDS FOR EQUIPMENT REPLACEMENT FOR THE RUBBER TIRE EXCAVATOR FOR THE STREET DEPARTMENT.

C. FINANCE AND ADMINISTRATION

1. REQUEST APPROVAL OF THE CITY OF STARKVILLE CLAIMS DOCKET FOR ALL DEPARTMENTS INCLUDING STARKVILLE UTILITIES DEPARTMENT AS OF JANUARY 31, 2018 FOR FISCAL YEAR ENDING 9/30/18, ACKNOWLEDGING THAT THE CITY CLERK HAS ATTESTED AND CERTIFIED ON THE COVER OF THE CLAIMS DOCKET THAT ALL CLAIMS ON THE DOCKET ARE TRUE, ACCURATE, LAWFUL AND PROPER TO THE BEST OF HER KNOWLEDGE, FOR PAYMENT PURSUANT TO HER DUTIES UNDER MISS. CODE SECTIONS 21-39-5, 21-39-7, 21-39-9, 21-39-17 AND 21-15-21.
2. ACCEPTANCE OF THE JANUARY 2018 FINANCIAL STATEMENTS.
3. CONSIDERATION OF A LEASE AGREEMENT WITH TRUSTMARK NATIONAL BANK IN THE AMOUNT OF \$ 64,900.00 OVER FOUR YEARS AT 2.88% INTEREST FOR THE LEASE PURCHASE OF 2 (TWO) 2018 DODGE RAM 2500 TRUCKS TO BE USED BY STARKVILLE PARK AND REC DEPT. WITH PAYMENTS TO BE PAID FROM 2(TWO) PERCENT TAX FUNDS.

D. FIRE DEPARTMENT

1. REQUEST PERMISSION FOR LASHONDA R. MALONE TO ATTEND THE

EMERGENCY SERVICES ADMINISTRATIVE PROFESSIONALS ASSOCIATION CONFERENCE ON MAY 2 - 4, 2018 IN NATCHEZ, MS WITH ADVANCE TRAVEL NOT TO EXCEED \$750.00.

2. REQUEST PERMISSION FOR MARK MCCURDY TO ATTEND THE MS FIRE INVESTIGATORS ASSOC. 2018 SPRING SEMINAR ON APRIL 11 – 13, 2018 IN OXFORD, MS WITH ADVANCE TRAVEL NOT TO EXCEED \$800.00.

E. HUMAN RESOURCES

1. REQUEST AUTHORIZATION TO HIRE KANESHIA HENDRIX, AS THE ADMINISTRATIVE ASSISTANT IN THE PARKS AND RECREATION DEPARTMENT.
2. REQUEST AUTHORIZATION TO ADVERTISE FOR A PAYROLL CLERK FOR THE CITY OF STARKVILLE.
3. REQUEST AUTHORIZATION TO CHANGE STARKVILLE UTILITIES FROM A SEMI-MONTHLY PAYPERIOD TO A BIWEEKLY PAYPERIOD.
4. REQUEST AUTHORIZATION TO CHANGE THE CITY OF STARKVILLE BIWEEKLY PAYPERIOD CYCLE DATE.
5. REQUEST AUTHORIZATION TO ADVERTISE FOR FIVE (5) PART-TIME POSITIONS IN THE STARKVILLE PARK AND RECREATION DEPARTMENT.

F. INFORMATION TECHNOLOGY

THERE ARE NO ITEMS FOR THIS AGENDA

G. PARKS

1. CONSIDERATION OF THE APPROVAL OF AN EXCEPTION TO THE PARKS AND RECREATION FACILITY RENTAL EVENT HOURS POLICY FOR A WEDDING SCHEDULED FOR MARCH 24, 2018 AT THE TRAVIS OUTLAW CENTER TO END NO LATER THAN 11 P.M.
2. CONSIDERATION OF THE APPROVAL OF THE SERVICE PROVIDER AGREEMENT WITH STARKVILLE CHRISTIAN SCHOOL FOR USE OF AN ATHLETIC FIELD FOR THEIR SOFTBALL AND BASEBALL SEASONS.

H. POLICE DEPARTMENT

1. CONSIDERATION TO TRANSFER A 2005 FORD VIN# 1FMPU16546LA32710 TO THE AIRPORT AND REMOVE FROM POLICE INVENTORY.

2. REQUEST APPROVAL OF THE RENTAL AGREEMENT WITH CANON SOLUTIONS AMERICA FOR A 60 MONTH RENTAL OF A CANON COPIER TO BE USED BY THE POLICE DEPARTMENT AT A COST OF \$210 PER MONTH.

I. SANITATION DEPARTMENT

THERE ARE NO ITEMS FOR THIS AGENDA

J. UTILITIES DEPARTMENT

1. REQUEST APPROVAL TO SELECT CLEARWATER CONSULTANTS, INC. AS THE PROJECT ENGINEER FOR THE CITY OF STARKVILLE'S COMMUNITY DEVELOPMENT BLOCK GRANT AND CAP LOAN WHICH WILL INSTALL A GRAVITY-FED SEWER COLLECTION SYSTEM WITHIN THE ROUNDHOUSE ROAD AREA.
2. REQUEST APPROVAL TO ACCEPT THE LOWEST AND BEST BIDS RECEIVED FOR JANUARY 1, 2018 – JUNE 30, 2018 SOURCE OF SUPPLY LISTING.
3. REQUEST APPROVAL TO DECLARE 12 ITEMS LISTED AS SURPLUS PROPERTY, ADVERTISE FOR SALE, AND SELL TO THE HIGHEST BIDDER.
4. REQUEST AUTHORIZATION FOR STARKVILLE UTILITIES TO SELECT HAWK SCADA AS THE SUCCESSFUL PROPOSER FOR WATER SCADA SYSTEM UPGRADE AND SERVICES.

XII. CLOSED DETERMINATION SESSION

XIII. OPEN SESSION

XIV. EXECUTIVE SESSION

A. PERSONNEL

XV. OPEN SESSION

XVI. ADJOURN UNTIL MARCH 6, 2018 @ 5:30 IN THE COURT ROOM AT 110 WEST MAIN STREET.

The City of Starkville is accessible to persons with disabilities. Please call the ADA Coordinator, Joyner Williams, at (662) 323-2525, ext. 3121 at least forty-eight (48) hours in advance for any services requested.

Consent items 5 – 33:

5. APPROVAL OF THE MINUTES OF THE JANUARY 16, 2018 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of the minutes of the January 16, 2018 meeting of the Mayor and Board of Aldermen of the City of Starkville, MS” is enumerated, this consent item is thereby approved.

6. APPROVAL OF THE MINUTES OF THE FEBRUARY 2, 2018 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of the minutes of the February 2, 2018 meeting of the Mayor and Board of Aldermen of the City of Starkville, MS” is enumerated, this consent item is thereby approved.

7. APPROVAL OF THE MINUTES OF THE FEBRUARY 9, 2018 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of the minutes of the February 9, 2018 meeting of the Mayor and Board of Aldermen of the City of Starkville, MS” is enumerated, this consent item is thereby approved.

8. ADVERTISEMENT FOR CONSTRUCTION BIDS TO BRING THE CITY AND COUNTY LANDFILL INTO COMPLIANCE WITH MDEQ REQUIREMENTS ON THE FINAL COVER FOR THE PARTIAL CLOSURE OF CELL 5 AT THE LANDFILL LOCATED ON ROCKHILL ROAD.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of advertising for bids for the construction work on the final cover for the partial closure of Cell 5 at the landfill located on Rockhill Road” is enumerated, this consent item is thereby approved.

9. CONSIDERATION FOR 30 YOUTH, AND 7 COORDINATORS TO ATTEND MISSISSIPPI MUNICIPAL LEAGUE 2018 11TH ANNUAL STATEWIDE YOUTH LEADERSHIP SUMMIT, MARCH 2-3, 2018, AT JACKSON STATE UNIVERSITY, WITH FUNDS TO BE TAKEN FROM THE MAYOR YOUTH COUNCIL BUDGET.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval for 30 youth, and 7 coordinators to attend Mississippi Municipal League 2017 11th Annual Statewide Youth Leadership Summit, March 2-3, 2018 with funds to be taken from the Mayor Youth Council budget” is enumerated, this consent item is thereby approved.

10. CONSIDERATION OF ADVERTISING FOR THE VACANT POSITION OF SCHOOL BOARD MEMBER CREATED BY THE RESIGNATION OF MELISSA LUCKETT.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to advertise the vacant position of a school board member created by the resignation of Melissa Luckett with applications to be due to the City Clerk by noon, March 28, 2018” is enumerated, this consent item is thereby approved.

11. CONSIDERATION TO ADVERTISE FOR LEASING AIRPORT TILLABLE LAND LOCATED SOUTH AND WEST OF THE RUNWAY AND TAXIWAY AND INSIDE THE FENCED AREA FOR ONE YEAR FOR FARMLAND AT GEORGE M. BRYAN FIELD.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to advertise for leasing airport tillable land located south and west of the runway and taxiway and inside the fenced area for one year for farmland at George M. Bryan Field” is enumerated, this consent item is thereby approved.

12. CONSIDERATION OF APPROVAL FOR FIVE AIRPORT BOARD MEMBERS AND AIRPORT DIRECTOR RODNEY LINCOLN TO TRAVEL TO JACKSON, MS ON APRIL 4-6, 2018 AND ATTEND THE MISSISSIPPI AIRPORT ASSOCIATION (MAA) CONFERENCE.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval for five airport board members and airport director Rodney Lincoln to travel to Jackson, MS on April 4-6, 2018 and attend the Mississippi Airport Association (MAA) Conference” is enumerated, this consent item is thereby approved.

13. CONSIDERATION OF APPROVAL TO ENTER INTO AN AGREEMENT WITH MAXX SOUTH FOR FIBER INTERNET CONNECTION FOR THE TERMINAL BUILDING AT GEORGE M. BRYAN FIELD.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of an agreement with Maxx South for fiber internet connection for the terminal building at George M. Bryan Field” is enumerated, this consent item is thereby approved.

406 N Third Street, Booneville MS 38829
P: (866) 362-2383 | F: (662) 728-1218

Business Services Customer Agreement

Customer Information

Company Name:	Starkville Airport
Address Line 1:	114 Airport Road
Address Line 2:	
City, State, Zip:	Starkville, MS 39759
Main Phone Number:	662-418-5900
Primary Contact Person:	Rodney Lincoln
Primary E-mail Address:	rlincoln@cityofstarkville.org

Billing Information

Billing Contact Person:	
Telephone/Extension:	
E-mail Address:	
Billing Address:	
City, State, Zip:	

MaxxSouth Broadband Business Sales Representative: Anthony Lowe_____

Contact Number: 662-596-2316_____ E-mail Address: anthony.lowe@maxxsouth.com_____

The monthly Recurring Charges ("MRC") and Non- Recurring Charges specified in this Business Services Customer Agreement ("BSCA") are exclusive of taxes, surcharges and fees to be imposed by MaxxSouth Broadband ("MaxxSouth") including but not limited to applicable federal, state, local use, excise, sales, or privilege taxes, duties or similar liabilities either shown as Miscellaneous Charges or imposed by operation of law (collectively, the "Fees").

By agreeing to maintain the Service(s) with your account in good standing for the duration of the Service Term indicated in this BSCA, the MRC listed above (plus fees) will apply during this period. MaxxSouth reserves the right to apply standard rate increases in a yearly basis, which may be applied to the MRC, on a date determined by MaxxSouth, regardless of customer's installation date. Customer agrees that if Services are cancelled, downgraded, or disconnected for any reason during the Service Term indicated within this document, Customer will immediately pay an Early Termination Fee ("ETF") equal to the number of months left of the Agreement Term (calculated from the day Service(s) were installed), multiplied by the MRC. Unless Customer provides at least a 60-

day written notice to MaxxSouth Broadband, this BSCA will auto-renew on a "month-to-month" basis, upon termination of the original Agreement Term or any additional renewal terms. All notices, including any request for cancellation, downgrading, or disconnection of the Services as outlined in this BSCA must be submitted in writing, to MaxxBusinessCustomerService@maxxsouth.com or via fax to (662)728-1218.

The undersign agrees that MaxxSouth services under this BSCA, and all other MaxxSouth services, are governed not only by this agreement, but the Service Agreement for MaxxSouth Broadband Services, the Internet Acceptable Use Policy and all other policies and requirements set by MaxxSouth. Furthermore, by executing this BSCA, the undersigned understands that no MaxxSouth service (current or future), including all portions of the service, equipment, bandwidth, etc., can be resold without the express written consent of MaxxSouth. A copy of the MaxxSouth policies and other requirements can be found on the MaxxSouth website at www.maxxsouth.com.

MaxxSouth Service(s)	Quantity	Agreement Term (Months)	Monthly Recurring Charges	Non-Recurring Charges
GPON Fiber (150Mbps/150Mbps)	1	36	139.95	\$
				\$
				\$
				\$
				\$
				\$
Installation				0
Totals			\$139.95	

The undersigned represents that he/she is authorized to enter into this BSCA on behalf of Customer, and acknowledges that he or she has read, understands and agrees to the terms within this agreement and, by executing this BSCA, Customer is requesting, and agrees to pay for, the Service(s) identified herein. This agreement will go into effect once it is executed by Customer, or at the time each Service governed by this agreement is installed, whichever comes later.

Customer Authorized Party

Printed Name: _____ Title: _____

Signature: _____ Date Signed: ____/____/____

MaxxSouth Authorized Party

Printed Name: _____ Title: MaxxSouth Business Sales Representative

Signature: _____ Date Signed: ____/____/____

For questions regarding billing or your services, please contact Business Customer Service at 1-866-362-2383 or via e-mail at MaxxBusinessCustomerService@MaxxSouth.com. For technical inquiries please contact our 24/7 Technical Support Team at 1-800-457-5351.

14. CONSIDERATION TO ADVERTISE AND OBTAIN BIDS FOR THE MOWING AND MAINTENANCE CONTRACTS FOR THE CITY CEMETERIES.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to advertise and obtain bids for the mowing and maintenance contracts for the City cemeteries: Odd Fellows (MLK and Hwy 182) Odd Fellows – University Drive and Brush Arbor – University Drive” is enumerated, this consent item is thereby approved.

15. CONSIDERATION OF TRAVEL FOR DANIEL HAVELIN AND EMILY CORBAN TO ATTEND THE NATIONAL CONFERENCE OF THE AMERICAN PLANNING ASSOCIATION IN NEW ORLEANS, LA FOR TRAINING APRIL 21-24, 2018, WITH ADVANCE TRAVEL.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of travel for Daniel Havelin and Emily Corban to attend the National Conference of the American Planning Association in New Orleans, LA for training April 21-24, 2018, with advance travel not to exceed \$3,150 total” is enumerated, this consent item is thereby approved.

16. CONSIDERATION OF FP 18-04 ACADEMY HILL SUBDIVISION, PHASE ONE FINAL PLAT APPROVAL FOR SUBDIVIDING +- 5.30-ACRE PARCEL INTO 26 (PHASE ONE) LOTS LOCATED ON ACADEMY ROAD IN A R-3A ZONING DISTRICT.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of FP 18-04 Academy Hill Subdivision, Phase One Final Plat approval for subdividing +- 5.30-acre parcel into 26 (Phase One) lots located on Academy Road in a R-3A Zoning District with conditions recommended by the Planning and Zoning Commission on February 16, 2018” is enumerated, this consent item is thereby approved.

Conditions:

1. The final plat shall meet the minimum standards for the State of Mississippi, as required by §17-1-23 and §17-1-25 of the Mississippi Code of 1972, as amended.
2. No Certificates of Occupancy or Temporary Certificates of Occupancy shall be granted for any structures until all conditions of approval have been met to the satisfaction of City Staff. A letter from the applicant acknowledging this requirement is required before final approval.
3. The final plat shall meet the minimum requirements for R-3A dimensions.
4. All public utilities must be inspected, tested, meet city requirements and be in place prior to any issuance of any Certificate of Occupancy.
5. Erosion control vegetation shall be established on all disturbed areas.
6. Sidewalk construction shall conform to the City’s Sidewalk Ordinance and ADA standards.
7. The applicant shall provide adequate and satisfactory test reports for roadways, curbs and all drainage structures and facilities prior to issuance of any Certificate of Occupancy.
8. The covenants shall include provisions for the maintenance of common areas/stormwater management and the City Attorney’s standard hold-harmless indemnification clause.
9. A guarantee in the amount of 200% of the current cost of all non-sidewalk remaining improvements is required to be posted prior to final plat approval by the Mayor and Board of Aldermen.
10. A bond or surety in the amount of 150% of the current cost of the proposed sidewalk shall be

provided prior to approval by the Mayor and Board of Aldermen.

11. Financial assurance for the cost of the final layer of asphalt shall be determined by and provided to the City Engineer prior to approval by the Mayor and Board of Aldermen.
12. The roadways shall not be accepted by the City until at least 85% of all combined lots in Phase I and any future phase have been developed and received Certificates of Occupancy. The performance agreement shall remain in effect until such time.
13. The applicant shall execute the standard performance agreement (“developer contract”) for the financial guarantee of the completion of the final requirements for acceptance of the streets and utilities and the Board of Aldermen shall authorize the Mayor to execute same.
14. The applicant shall provide two paper copies of the recorded plat to the City, along with a digital copy in “AutoCAD” format in standard state plane coordinates.
15. The applicant shall provide “as-built” drawings of all infrastructure improvements (water, sewer, storm drainage, roadways, sidewalks, etc.) in “AutoCAD” format as well as a paper copy that is signed and sealed by a licensed design professional, guaranteeing accuracy.
16. The final plat shall be recorded at the Office of the Oktibbeha County Chancery Clerk within thirty (30) days of the approval by the Mayor and Board of Aldermen.
17. The Applicant shall provide additional easements as required by City Staff based on as-built conditions of installed infrastructure.

17. CONSIDERATION OF APPROVAL OF ON-STREET PARKING AND TURN LANE ON COLLEGEVIEW STREET IN COORDINATION WITH THE CONSTRUCTION AS PART OF THE COLLEGEVIEW DEVELOPMENT (FORMERLY AIKEN VILLAGE).

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of on-street parking and turn lane on Collegeview Street in coordination with the construction as part of the Collegeview Development (formerly Aiken Village)” is enumerated, this consent item is thereby approved.

18. CONSIDERATION OF THE JANUARY 2018 FINANCIAL STATEMENTS.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “acceptance of the January 2018 financial statements” is enumerated, this consent item is thereby approved.

19. CONSIDERATION OF A LEASE AGREEMENT WITH TRUSTMARK NATIONAL BANK IN THE AMOUNT OF \$ 64,900.00 OVER FOUR YEARS AT 2.88% INTEREST FOR THE LEASE PURCHASE OF 2 (TWO) 2018 DODGE RAM 2500 TRUCKS TO BE USED BY STARKVILLE PARK AND REC DEPT. WITH PAYMENTS TO BE PAID FROM 2(TWO) PERCENT TAX FUNDS.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of a lease agreement with Trustmark Corporation in the amount of \$64,900 over four years at 2.88% interest for the lease purchase of two 2018 Dodge Ram 2500 trucks to be used by Starkville Park and Rec Dept with payments to be paid from two percent tax funds” is enumerated, this consent item is thereby approved.



February 28, 2018

City of Starkville, Mississippi
Attn: Lynn Spruill, Mayor
110 West Main Street
Starkville, MS 39759

Dear Lynn Spruill:

Please find enclosed the Lease-Purchase Agreement between Trustmark National Bank and the **City of Starkville, Mississippi** for the purchase of **Two (2) 2018 New Dodge Ram 2500, VIN #3C6UR5CL1JG204949 & 3C6UR5CJ9JG217043**. Also enclosed is a **# year** amortization schedule and the 8038-GC Tax Form.

I am listing requirements, in addition to the appropriate signatures, necessary to ensure complete execution of the document.

1. Attach equipment invoice to Exhibit A (Equipment)
2. Complete all blanks and sign Exhibit D (Certificate of Acceptance)
3. Board attorney must sign and date Exhibit E (Opinion of Counsel)
4. Complete all blanks, sign and date Exhibit F (Federal Tax Certificate), as well as Tax Form 8038-GC
5. Attach Certificate of Insurance to Exhibit G (Certificate of Insurance)
6. Please include the City's most recent audited financial statement and current budget

Once your Board has approved, and the document has been fully executed, please mail back to my attention as addressed below:

Trustmark National Bank
Attn: **Aaron Oberschmidt, SVP**
624 Main Street
Columbus, MS 39701

Payment will be made as requested, once the agreement has been finalized/processed. In the meantime, if there are any questions please feel free to contact me at (662) 329-7005 or 1-800-844-2000 Ext. 7005.

Sincerely,

Aaron Oberschmidt, SVP



LEASE AND OPTION TO PURCHASE

between

TRUSTMARK NATIONAL BANK

as Lessor

and

City of Starkville, Mississippi

as Lessee

Dated as of the 28th day of February, 2018

Prepared by: **Trustmark National Bank**

INDEXING INSTRUCTIONS:



LEASE AND OPTION TO PURCHASE

THIS LEASE AND OPTION TO PURCHASE ("Lease") effective as of **February 28, 2018** (the "Effective Date") between **Trustmark National Bank**, a national banking association organized and existing under the laws of the United States of America, as lessor ("Lessor") whose address is **624 Main Street, Columbus, MS, 39701** and the **City of Starkville, Mississippi**, a political subdivision of the State of Mississippi as lessee ("Lessee"), whose address is **110 West Main Street, Starkville, MS 39759**.

RECITALS

WHEREAS, pursuant to the laws of the State, the Lessee is authorized to acquire items of property as are needed to carry out its governmental functions and to acquire such property by entering into lease-purchase agreements; and

WHEREAS, the Lessee has determined that it is in need of the Equipment, as hereafter described, said Equipment to be located and used in connection with either a public building, courthouse, office building, jail, auditorium, community center, civic art center, public library, or gymnasium which facility is owned by **City of Starkville, Mississippi**; and

WHEREAS, the Lessee has determined that in order to accomplish such purpose it is necessary and desirable to acquire the Equipment by leasing the same pursuant to this Lease under the authority of Sections 31-8-1 et seq., Mississippi Code of 1972, as amended; and

WHEREAS, Lessor is willing to acquire such Equipment and to lease said Equipment to Lessee pursuant to the terms and conditions set forth herein; and

WHEREAS, Lessor and Lessee have agreed that the Lease Term (as hereinafter defined) shall not exceed the useful economic life of the Equipment, which Lessor and Lessee agree to be not more than **forty-eight months**, but in no event shall the primary Lease Term exceed twenty (20) years.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

AGREEMENTS

ARTICLE I

DEFINITIONS



Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Section shall have the meanings herein specified.

Additional Rental: the amounts specified as such in Sections 5.4(c), 5.5, and 7.4 of this Lease.

Base Rental: The payment the amounts due from Lessee to Lessor on each Payment Date during the Lease Term as set forth in Exhibit B, but does not include Additional Rental.

Code: The Internal Revenue Code of 1986, as amended.

Contractor: The manufacturer(s) or vendor(s) from whom Lessee has ordered or will order or with whom Lessee has contracted or will contract for the manufacture, delivery, sale and/or installation of the Equipment.

Equipment: The property described in Exhibit A, but in no event shall this property consist, in whole or in part, of any office furniture or office machines.

Fiscal Year: The twelve month fiscal period of Lessee which commences on **Sept 30th** in every year and ends on the following **Sept 30th**.

Governing Body: The Board of **Alderman** of the Lessee.

Governing Body Representative: means either **Mayor** of the **Board of Alderman** of the Lessee or the *City Clerk* of the *city* of **City of Starkville, Mississippi**, being the duly authorized official to execute and deliver this Lease as approved by official action taken by the Governing Body on **February 20, 2018**.

Interest Component: The portion of any Rental Payment designed as interest as shown in Exhibit B.

Lease Term: Unless sooner terminated pursuant to the provisions of this Lease, the period of time commencing upon the Effective Date and ending on **December 1, 2021**, but in no event extending past **December 1, 2021**, which Lessor and Lessee agree represents the useful economic life of the Equipment; in no event shall the primary Lease Term exceed twenty (20) year.

Net Proceeds: Any insurance proceeds or condemnation award paid with respect to the Equipment remaining after payment therefrom of all expenses incurred in the collection thereof.

Non-appropriation: The failure of the Governing Body to appropriate money for any Fiscal Year of Lessee sufficient for the continued performance of this Lease by Lessee.



Payment Date: The date upon which any Rental Payment is due and payable as provided in Exhibit B.

Permitted Encumbrances: At any particular time: (i) liens on Lessee's interest in the Equipment for taxes and assessments not then delinquent, (ii) this Lease and any amendments hereto, (iii) Lessor's interest in the Equipment, and (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right which secures an amount not then due and owing for goods or services.

Principal Component: The portion of any Rental Payment designated as principal in Exhibit B.

Purchase Option Price: With respect to the Equipment, as of the Payment Dates specified in Exhibit C, the amount set forth opposite such date assuming all Rental Payments and other amounts due from Lessee to Lessor have been paid as and when due.

Rental Payment: The payment of Basic Rental due from Lessee to Lessor on each Payment Date as shown in Exhibit B PLUS any Additional Rental due pursuant to the terms of this Lease.

Specifications: The bid specifications and/or purchase order pursuant to which Lessee ordered the Equipment from Contractor.

State: The State of Mississippi.

State and Federal Law or Laws: The Constitution and any laws of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any agency of the United States.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, warrants and covenants as follows:

(a) Lessee is a **Municipality**, which is a political subdivision of the State, duly organized and existing under the Constitution and laws of the State.

(b) Lessee is authorized under the Constitution and laws of the State to enter into this Lease and the transactions contemplated hereby, and to perform all of its obligations hereunder.



(c) The Governing Body Representative has been duly authorized to execute and deliver this Lease under the terms and provisions of appropriate official action of the **Board of Alderman** taken on **February 20, 2018**.

(d) In authorizing and executing this Lease, Lessee has complied with all public bidding and other State and Federal laws applicable to this Lease and the acquisition of the Equipment by Lessee.

(e) The Equipment will be used only to carry out the governmental purposes and to perform essential governmental functions of Lessee.

(f) Lessee has obtained all permits and licenses necessary for the installation, operation, possession and use of the Equipment.

(g) Upon delivery and installation of the Equipment, Lessee will provide Lessor with a completed and executed Certificate of Acceptance in the form attached hereto as Exhibit D. If Lessee fails to execute and deliver a Certificate of Acceptance within five (5) business days after delivery and installation of the Equipment, Lessee shall be deemed to have done so.

(h) Upon the execution of this Lease, Lessee will provide to Lessor an opinion of its legal counsel acceptable to Lessor in Lessors sole opinion substantially in the form attached hereto as Exhibit E.

(i) Upon the execution of this Lease Lessee will provide to Lessor a Federal Tax Certificate in the form attached hereto as Exhibit F.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:

(a) Lessor is a national banking association, duly organized, validly existing and in good standing under the laws of the United States of America.

(b) Lessor is duly authorized to transact business in the State; has the power to own and lease the Equipment; and has duly authorized the execution and delivery of this Lease.

ARTICLE III

LEASE OF EQUIPMENT

Section 3.1. Lease. Subject to and conditioned upon the delivery of the Equipment by Contractor, Lessor hereby leases the Equipment to Lessee, and Lessee hereby leases the Equipment from Lessor and agrees to pay to Lessor the Rental Payments, all upon the terms and conditions set forth in this Lease.



Section 3.2. Possession and Enjoyment. The Lessor covenants and agrees that the Lessee, by keeping and performing the covenants and agreements herein contained, shall, at all times during the Lease Term, peaceably and quietly have, hold, and enjoy the Equipment.

Section 3.3. Lessor's Access to Equipment. Representatives of the Lessor shall, subject to reasonable security precautions, have the right to enter upon the property of Lessee during reasonable business hours (and in an emergency at all times) (i) to examine and inspect the Equipment, (ii) for any purpose connected with the rights or obligations of the Lessor under this Lease, including, but not limited to maintain and caring for same if Lessee fails to perform its obligations hereunder, or (iii) for all other lawful purposes.

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term. Unless terminated as set forth herein, this Lease shall be in effect for the Lease Term, which shall not exceed **forty-eight**.

Section 4.2. Intent to Continue Lease Term; Appropriations; Current Expense.

(a) Lessee presently intends to continue this Lease for its entire Lease Term and to pay all Rental Payments. Lessee will include in its budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means at its disposal to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due for such Fiscal Year. Lessee reasonably believes that moneys in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose.

(b) The obligation of the Lessee to make Rental Payments under the Lease constitutes a binding obligation of the Lessee in accordance with the terms of this Lease. Provided, however, so long as no default of any monetary obligation of the Lessee has occurred, the Lessee's obligation to pay any amounts due or perform any covenants requiring or resulting in the expenditure of money shall be contingent and expressly limited to the extent of any specific, annual appropriation made by the Lessee to fund such Lease. Nothing contained in the Lease shall create any monetary obligation on the part of the Lessee beyond such current and specific appropriation. The Governing Body, in its sole discretion, may make said payments with any lawfully available revenues. Nothing in the Lease creates a lien of any kind or character whatsoever upon any funds, income or revenue now existing or hereafter held, collected, received, anticipated by, or available to the Governing Body or prevents or restricts the Governing Body at any time from pledging, obligating or creating specific liens upon funds, income or revenues to or for the payment of any bonds, note or certificates of the Governing



Body or for any other purpose whatsoever. The Lessee has not pledged or levied any form of taxation for the payment of Rental Payments under this Lease.

(c) Lessor and Lessee agree that the intent of this Lease is that the obligations of Lessee under this Lease, including its obligation to pay the Rental Payments due with respect to the Equipment, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of Lessee for such Fiscal Year and shall not constitute an indebtedness of Lessee within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by Lessee for the benefit of Lessee of any taxes or other moneys in the annual budget of Lessee (or the proceeds or net proceeds of the Equipment) to the payment of any Rental Payment or other amount due hereunder.

Section 4.3. Termination Due to Non-Appropriation. In the sole event of Non-appropriation prior to an Event of Default, Lessee shall have the right to terminate this Lease, in whole, but not in part, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this Section and Sections 4.4 and 4.6. Lessee may effect such termination by giving Lessor written notice of termination and by paying to Lessor all Rental Payments which are due through the date of such termination. Lessee shall endeavor to give Lessor not less than sixty (60) days prior written notice of termination and shall notify Lessor as soon as reasonably possible of any anticipated termination. In the event of termination of this Lease as provided in this Section, Lessee shall deliver possession of the Equipment to Lessor in accordance with Section 12.3, and shall execute any documents reasonably requested by Lessor to release its interest in the Equipment.

Section 4.4. Effect of Termination. Upon termination of this Lease as provided in Section 4.3, Lessee shall not be responsible for the payment of any Rental Payments coming due with respect to succeeding Fiscal Years, but if Lessee has not delivered possession of the Equipment to Lessor in accordance with Section 12.3 and released and conveyed its interest in the Equipment to Lessor within ten (10) days after the termination of this Lease, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to (a) the amount of the Rental Payments coming due for the period during which Lessee fails to take such actions PLUS (b) any other loss suffered by Lessor as a result of Lessee's failure to take such actions.

Section 4.5. Nonsubstitution. If this Lease is terminated by Lessee in accordance with Section 4.3, Lessee agrees that for a period of one (1) year after termination, to the extent allowed by law, Lessee will not purchase or lease other property or contract with any third party to perform the same functions as, or functions taking the place of, those performed by the Equipment; provided, however, that this restriction shall not be applicable in the event the Equipment previously has been sold by Lessor and the amount received from such sale, less all



costs of such sale, is sufficient to pay the Purchase Option Price applicable through the last Rental Payment.

Section 4.6. Termination of Lease Term. The Lease Term Lease will terminate upon the occurrence of the first of the following events:

- (a) the termination thereof by Lessee in accordance with Section 4.3;
- (b) the exercise by Lessee of its option to purchase the Equipment under Article X;
- (c) a Default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII; or
- (d) the expiration of the Lease Term if Lessee has made all Rental Payments required Lessee hereunder as and when due and has otherwise performed its obligations hereunder.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. Lessee agrees to pay Rental Payments during the Lease Term in the amounts and on the Payment Dates. All Rental Payments shall be paid to Lessor on or before the Payment Date at Lessor's offices at the address specified in the first paragraph of this Lease or to such other person or entity and at such other places as Lessor may, from time to time, designate by written notice to Lessee. If any Rental Payment is not paid within ten (10) days of the due date thereof, to the extent allowed by law, Lessee shall also be liable to Lessor for a late payment charge equal to the greater of \$50.00 or four percent (4%) of the amount of the delinquency plus interest on the amount of the delinquency at the per annum rate of interest equal to the lesser of eleven percent (11%) or the maximum rate allowed by law.

Section 5.2. Principal and Interest Components. Each Base Rental Payment consists of a Principal Component and an Interest Component, all as more fully described in Exhibit B.

Section 5.3. Rental Payments to be Unconditional. Except as provided in Section 4.3, the obligation of Lessee to make payments of Base Rental and Additional Rental and any other payments required hereunder shall be absolute and unconditional. Notwithstanding any dispute between Lessee and Lessor or any other person, Lessee shall make all such payments required hereunder as and when due and shall not withhold any such payment pending final resolution of such dispute nor shall Lessee assert any right of set-off or counterclaim against its obligation to make such payments. Lessee's obligation to make any payment required hereunder shall not be abated through accident or unforeseen circumstances. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor



as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.4. Tax Exemption.

(a) Lessee acknowledges and agrees that the payments of Base Rental have been calculated by Lessor assuming that the Interest Component of each Base Rental payment is exempt from federal income taxation. Lessee will do and refrain from doing all things necessary and appropriate to insure that the Interest Component of all Base Rental payments is exempt from federal income taxation. In that regard, Lessee represents, covenants and warrants that:

(i) 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.

(ii) No portion of the Rental Payments: (1) 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.

(iii) No portion of the cost of the Equipment will be used (directly or indirectly) to make or finance loans to persons other than governmental units.

(iv) The Lessee will execute and file all information statements required by Section 149(e) of the Code and timely pay amounts, if any, required to be rebated to the United States pursuant to Section 148(f) of the Code.

(b) Lessee and Lessor acknowledge that Lessee has designated this Lease as a “qualified tax exempt obligation” for purposes of Section 265(b)(3) of the Code.

(c) In the event any governmental taxing authority successfully imposes an income tax on the Interest Component or imposes an income tax on the interest component under any similar lease of Lessor which, in the opinion of Lessor’s counsel, will be determinative of the tax treatment under this Lease, then Lessee agrees to pay Additional Rental retroactively from the date of such imposition through the end of the Lease Term during which such tax is imposed in an amount adequate to compensate Lessor, on an after-tax basis, for the tax imposition.

Section 5.5. Additional Rental. In addition to the Base Rental set forth herein, the Lessee agrees to pay as Additional Rental, as and when due, all of the following:



(a) All taxes and assessments of any nature whatsoever, including but not limited to excise taxes, ad valorem taxes, ad valorem and special lien special assessments and gross receipts taxes, if any, levied upon the Project or upon any interest of the Lessor in this Lease;

(b) Insurance premiums, if any, on all insurance required under the provisions of Article VI of this Lease;

(c) All fees and expenses of the Lessor in connection with the transactions contemplated herein; and

(d) Any other fees, costs or expenses incurred by the Lessor in connection with the execution, performance or enforcement of this Lease or any assignment hereof or any of the transactions contemplated hereby or thereby or related to the Equipment and/or the Lease, including, without limitation, any amounts which may become due.

Amounts constituting Additional Rental payable hereunder shall be paid by the Lessee directly to the person or persons to whom such amounts shall be payable. The Lessee shall pay all such amounts when due or at such later time as such amounts may be paid without penalty and, upon request of the Lender, shall furnish to the Lender a certificate stating that any such amounts have been paid or that no such amounts were due.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.1. Section 6.1. Requirements For All Insurance. Lessor's minimum insurance requirements are set forth on Exhibit G, and all insurance policies (or riders) required by this Article shall be maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving at least thirty (30) days prior written notice to Lessor; and shall name Lessor as an additional insured under any liability insurance policy and as a loss payee under any casualty insurance policy. At Lessor's request, Lessee shall deposit with Lessor policies (and riders) evidencing any such insurance procured by it, and upon request of the Lessor, the Lessee shall (a) deposit with the Lessor a certificate of a Governmental Representative stating that the Lessee is in compliance with the insurance requirements set forth in this Section 6, and (b) deliver to Lessor certificates of insurance from insurance companies providing insurance..

Section 6.2. Liability Insurance. Upon receipt of possession of the Equipment, Lessee shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation or other general use of the Equipment are covered by a liability



insurance policy or program acceptable to Lessor. To the extent allowed by law, Lessee shall cause Lessor to be named as an additional insured in such policy. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 6.2. Property Insurance. Upon receipt of possession of the Equipment, Lessee shall have and assume the risk of loss with respect thereto. Lessee shall maintain in effect during the Lease Term, casualty insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that if a claim is made for a total loss of the Equipment such insurance proceeds will be sufficient to pay the applicable Purchase Option Price. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with a deductible not in excess of \$1,000.00. The Net Proceeds of insurance required by this Section shall be applied to the purchase of the Equipment as provided in Section 6.7.

Section 6.3. Worker's Compensation Insurance. If required by State law, Lessee shall carry Worker's Compensation Insurance covering all employees on, in, near or about the Equipment, and, upon request, shall furnish Lessor with certificates evidencing such coverage throughout the Lease Term.

Section 6.5. General Indemnity. To the maximum extent allowed by law, Lessee assumes liability for, and shall indemnify, protect, save, and keep harmless Lessor and its agents, servants, successors, and assigns (each an "Indemnitee") from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, and expenses, including legal expenses, of whatsoever kind and nature, imposed on, incurred by or asserted against any indemnities, in any way relating to or arising out of this Lease or the enforcement hereof, or the manufacture, purchase, acceptance, rejection, ownership, possession, use, selection, delivery, lease, operation, condition, sale, return, or other disposition of the Equipment or any part thereof (including, without limitation, latent or other defects, whether or not discoverable by Lessee or any other person, any claim in tort for strict liability and any claim for patent, trademark, or copyright infringement); provided, however, that Lessee shall not be required to indemnify any indemnitee for loss or liability arising from acts or events that occur after the Equipment has been returned to Lessor in accordance with this Lease, or for loss or liability resulting solely from the willful misconduct or negligence of such Indemnitee. This indemnity obligation is intended to be, and shall be interpreted to be, a separate and independent contractual obligation from the contractual provisions addressing the requirements and placement of insurance. The provisions of this Section 6.5 shall survive the expiration or earlier termination of this Lease.

Section 6.6. Damage to or Destruction of Equipment. If all or any part of the Equipment is lost, stolen, destroyed or damaged beyond repair, Lessee shall, as soon as practicable after such event, either: (a) replace the same at Lessee's sale cost and expense with replacement



equipment acceptable to Lessor, whereupon such replacement shall be substituted in this Lease by appropriate documentation; or (b) pay the applicable Purchase Option Price of the Equipment. Lessee shall notify Lessor of which course of action it will take within 15 days after the loss, destruction or damage. If Lessee elects clause (a) but fails to perform its obligation thereunder within thirty (30) days after the loss, destruction or damage, Lessor may, at its option, declare the applicable Purchase Option Price of the Equipment immediately due and payable, and Lessee shall be obligated to pay the same. The Net Proceeds of all insurance payable with respect to the Equipment shall be made available to Lessee to be used to discharge Lessee's obligation under this Section. On payment of the Purchase Option Price, this Lease shall terminate and Lessee thereupon shall become entitled to the Equipment AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that the Equipment shall not be subject to any lien or encumbrance created or arising through Lessor.

ARTICLE VII

OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the installation, use, operation and maintenance of the Equipment, and shall not install, use maintain or operate the Equipment improperly, carelessly, in violation of any local, State or Federal laws, rules, regulations or ordinances, or for a purpose or in a manner contrary to that contemplated by this Lease. Lessee shall maintain all permits and licenses necessary for the installation, operation, possession and use of the Equipment. Lessee shall, at Lessee's expense, comply with all local, State and Federal laws, rules, regulations and ordinances that require changes or additions to be made to the Equipment.

Section 7.2. Maintenance of Equipment by Lessee. Lessee shall, at its expense, maintain, preserve and keep the Equipment in good repair, working order and condition.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, Lessee shall pay all taxes, special assessments, and other charges of any kind which are lawfully assessed or levied against or with respect to the Equipment, the Rental Payments or any part thereof with respect to the Lease Term. Lessee shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, profit, excess profit, capital stock, corporate, or other similar tax payable by Lessor, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of Lessee under this Section 7.3. Lessee may, at its own expense and in its own name, in good faith contest any such taxes, assessments, and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges



so contested to remain unpaid during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its reasonable determination, the interest of Lessor in the Equipment could be materially endangered by nonpayment of any such items, in which event Lessee shall promptly pay such taxes, assessments and charges or provide Lessor with full security against any loss which may result from non-payment, in form reasonably satisfactory to Lessor.

Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and such advances shall be considered Additional Rental, and Lessee shall be obligated to repay all such advances on demand, with interest at the rate of eleven percent (11%) per annum or the maximum rate permitted by law, whichever is less, from the date of the advance to the date of repayment.

ARTICLE VIII

TITLE

Section 8.1. Title. During the Lease Term, and so long as Lessee is not in Default as provided in Article XII, legal title to the Equipment and any and all replacements, accessories, substitutions and modifications thereto shall be in Lessee. Upon termination of this Lease for any of the reasons specified in clauses (a) and (c) of Section 4.6., full and an encumbered legal title to the Equipment shall pass to Lessor, and Lessee shall have no further interest therein. In such event, Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the passage of legal title to the Equipment to Lessor and the termination of Lessee's interest in the Equipment. Upon termination of this Lease for either of the reasons specified in clauses (b) and (d) Section 4.6, Lessor's security or other interest in the Equipment shall terminate, and Lessor shall execute and deliver to Lessee such documents as Lessee may request to evidence the termination of Lessor's interest in the Equipment.

Section 8.2. Security Interest. Lessor shall have and retain and Lessee hereby grants to Lessor, a security interest under the Uniform Commercial Code in the Equipment, the proceeds thereof and all, replacements, accessories, substitutions and modifications thereto in order to secure the Rental Payments and the other obligations of Lessee hereunder. Lessee will join with Lessor in executing such security agreements and financing statements or other documents and will perform such acts as Lessor may request to perfect such security interest in the Equipment. If requested by Lessor, Lessee shall conspicuously mark the Equipment and maintain such markings during the Lease Term, so as clearly to disclose Lessor's interest in the Equipment.

Section 8.3. Liens. During the Lease Term, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Equipment, other than the respective rights of Lessor and Lessee as herein



provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary promptly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrances or claim.

Section 8.4. Installation of Lessee's Equipment. Lessee may, at any time and from time to time, in its sale discretion and at its own expense, install other accessories and components upon the Equipment, which items shall be identified by tags or other symbols affixed thereto as property of Lessee. All such items so identified shall remain the sole property of Lessee, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore any and all damage to the Equipment resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent Lessee from purchasing such accessories or components under a conditional sale or lease/purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Equipment.

Section 8.5. Modification of Equipment.

(a) Lessee shall, at its own expense, have the right to make repairs, replacements, substitutions and modifications to all or any part of the Equipment, except that Lessee shall not be permitted to remove or disable safety features or devices. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Equipment and be subject to the provisions of this Lease. Such work shall not in any way damage the Equipment or cause it to be used for purposes other than those authorized under the provisions of State and Federal law or those contemplated by this Lease or result in a diminution of the value of the Equipment. Any property for which a replacement or substitution is made pursuant to this Section may be disposed of by Lessee.

(b) Lessee will not permit any mechanic's or other lien to be established or remain against the Equipment for labor or materials furnished in connection with any repair, replacement, substitution or modification of the Equipment; provided, that if any such lien is established and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may, in good faith, contest any lien filed or established against the Equipment, and, in such event, may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Lessor shall notify Lessee that, in its opinion, by nonpayment of any such item the interest of Lessor in the Equipment could be materially endangered or the Equipment or any part thereof could be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide Lessor with full security against any such loss or forfeiture, in form reasonably



satisfactory to Lessor. Lessor will cooperate fully with Lessee in any such contest, upon the request and at the expense of Lessee.

Section 8.6. Personal Property. Lessor and Lessee agree that the Equipment is and shall at all times be and remain personal property notwithstanding that the Equipment or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

ARTICLE IX

EQUIPMENT WARRANTIES

Section 9.1. Selection of Equipment. Lessor and Lessee agree that this is a "finance lease" under Article 2A of the Uniform Commercial Code. The Equipment and the Contractor have been selected by Lessee, and Lessor has no responsibility in connection with the selection of the Equipment, its suitability for the use intended by Lessee, or any delay or failure to manufacture, deliver or install the Equipment for use by Lessee. Lessee authorizes Lessor to add the serial number(s) of the Equipment to Exhibit A when available.

Section 9.2. Installation and Maintenance of Equipment. Lessor shall have no obligation to install, erect, test, inspect, service or maintain the Equipment under any circumstances, but such actions shall be the obligation of Lessee or the Contractor.

Section 9.3. Contractor's Warranties. To the extent it may legally do so, Lessor hereby assigns to Lessee during the Lease Term, all of its interest in all Contractor's warranties and guarantees, express or implied, applicable to the Equipment, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.

Section 9.4. Patent Infringement. To the extent it may legally do so, Lessor hereby assigns to Lessee for and during the Lease Term of this Lease all of its interest in patent indemnity protection provided by any Contractor with respect to the Equipment. Such assignment of patent indemnity protection by Lessor to Lessee shall constitute the entire liability of Lessor for any patent infringement by Equipment furnished pursuant to this Lease.

Section 9.5. Disclaimer of Warranties. THE EQUIPMENT IS DELIVERED "AS IS", AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE EQUIPMENT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE EQUIPMENT. The Lessee



has entered into this Lease without representations or warranties with respect thereto on the part of the Lessor, its agents, representatives or employees other than those expressed herein.

ARTICLE X

OPTION TO PURCHASE

Section 10.1. When Available. Lessee shall have the exclusive right and option to purchase Lessor's interest in the Equipment on any Payment Date for the then applicable Purchase Option Price, but only if Lessee is not in Default under this Lease, and only in the manner provided in this Article.

Section 10.2. Exercise of Option. Lessee shall give notice to Lessor of its intention to exercise its option not less than thirty (30) days prior to the Payment Date on which the option is to be exercised and shall deposit with Lessor on the date of exercise an amount equal to an Rental Payments and any other amounts then due or past due and the applicable Purchase Option Price. The closing shall be on the Payment Date on which the option is to be exercised at the office of Lessor.

Section 10.3. Release of Lessor's Interest. Upon exercise of the Purchase Option by Lessee, Lessor shall convey or release to Lessee all of its right, title and interest in and to the Equipment by delivery to Lessee of such documents as Lessee reasonably deems necessary for this purpose.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by Lessor. All of Lessor's right, title and/or interest in and to the Equipment, this Lease, the Rental Payments and other amounts due hereunder may be assigned and reassigned, in whole or in part, to one or more assignees or subassignee at any time, without the prior consent of Lessee. Such assignment shall not be effective with respect to Lessee unless and until Lessor shall have filed a copy or written notice thereof with Lessee.

Section 11.2. Assignment and Subleasing by Lessee. Neither this Lease nor Lessee's interest in the Equipment may be assigned transferred, mortgaged, or otherwise pledged by Lessee, in whole or in part, without the written consent of Lessor. However, the Equipment may be subleased by Lessee, in whole or in part, with the consent of Lessor and subject to compliance with each of the following conditions:

(a) This Lease and the obligation of Lessee to make Rental Payments hereunder shall remain obligations of Lessee.



- (b) The sublessee shall assume the obligations of Lessee hereunder to the extent of the interest subleased in form and substance satisfactory to Lessor.
- (c) Lessee shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Lessor a true and complete copy of such sublease.
- (d) No sublease by Lessee shall cause the Equipment to be used for a purpose other than a governmental function authorized under the provisions of the Constitution and laws of the State.
- (e) No sublease shall cause the Interest Component of the Rental Payments to become subject to federal income taxation.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following shall be "Events of Default" under this Lease and the terms "Events of Default" and "Default" shall mean, whenever used in this Lease with respect to the Equipment, anyone or more of the following events:

- (a) Failure by Lessee to pay any Rental Payment or other payment Lease within five days of the time specified herein.
- (b) Failure by Lessee to provide the insurance coverages required herein.
- (c) Failure by Lessee to observe and perform any covenant, condition or agreement (other than as referred to in Clauses (a) or (b) of this Section) on its part to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the Default is corrected.
- (d) The filing by Lessee of a voluntary petition in bankruptcy; the failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental or proprietary function; the adjudication of Lessee as a bankrupt; the granting by Lessee of an assignment for the benefit of creditors; the entry by Lessee into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of the United States Bankruptcy Code, as amended, or under any similar acts which may hereafter be enacted.



The provisions of this Section 12.1 and Section 12.2 are subject to the following limitation: if by reason of force majeure Lessee is unable, in whole or in part, to carry out its obligations under this Lease with respect to the Equipment, other than its obligation to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals (excluding the Equipment); or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of Lessee unfavorable to Lessee.

Section 12.2. Remedies on Default. Whenever any Event of Default referred to in Section 12.1 hereof shall have occurred and be continuing, Lessor shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(a) With or without terminating this Lease, declare all Rental Payments due or to become due to be immediately due and payable, whereupon such Rental Payments shall be immediately due and payable.

(b) With or without terminating this Lease, by written notice to the Lessee, request the Lessee to (and the Lessee agrees that it will), at the Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 12.3 hereof, or the Lessor, at its option, may (i) enter upon the premises where the Equipment is located and take immediate possession of and remove the same, (ii) require the Lessee to assemble the Equipment and make the Equipment available to the Lessor at a place to be designated by the Lessor which is reasonably convenient to both parties, and/or (iii) without removal, the Lessor may render the Equipment unuseable, and may sell or otherwise dispose of the Equipment on the Lessee's premises at a public or private sale with such sale to meet the requirements of a public or private sale with the application of the sale proceeds all as provided in Section 12.2(c). Lessee hereby expressly waives any damages occasioned by such repossession or other disposal of Equipment as provided in this paragraph (b). If the Equipment or any portion of it has been destroyed or damaged beyond repair, Lessee shall pay the applicable Purchase Option Price of the Equipment.



as set forth in Exhibit C (less credit for Net Proceeds), to Lessor. Notwithstanding the fact that Lessor has taken possession of the Equipment, Lessee shall continue to be responsible for the Rental Payments as and when due. If the Lease has not been terminated, Lessor shall return the Equipment to Lessee at Lessee's expense when the Event of Default is cured.

(c) If Lessor terminates this Lease and takes possession of the Equipment, Lessor shall use its best efforts promptly to sell the Equipment, as a unit or in parts, in a commercially reasonable manner at public or private sale in accordance with applicable laws. Lessor shall apply the proceeds of such sale to pay the following items in the following order: (1) all costs incurred in securing possession of the Equipment; (2) all expenses incurred in completing the sale; (3) the balance of any Rental Payments owed by Lessee through the date of termination; and (4) the Purchase Option Price.

(d) If the proceeds of sale of the Equipment are not sufficient to pay all amounts specified in Section 12.2(c)(1)-(3), Lessee shall be liable for the deficiency, and Lessor may take any other remedy available at law or in equity to require Lessee to perform its obligations hereunder.

Notwithstanding any other provision of this Section 12.2, Lessor shall be entitled to damages with respect to the Lease in an amount equal to, but not in excess of, the economic equivalent intended to be provided by Lessee's payment of the Rental Payments and/or Purchase Option Price provided for herein, as and when due, plus any amount necessary to compensate Lessee for all costs, fees and expenses incurred as a result of Lessee's default.

Section 12.3. Return of Equipment. Upon the expiration or termination of this Lease prior to the payment of all Rental Payments or the Purchase Option Price, Lessee shall return the Equipment to Lessor in the condition, repair, appearance and working order required in section 7.2, in the following manner as may be specified by Lessor: (a) by delivering the Equipment, at Lessee's cost and expense, to such place within the State as Lessor shall specify; or (b) by shipping the same, freight prepaid, to a place within the United States specified by Lessor. If Lessee fails to return the Equipment in the manner designated, Lessor may repossess the Equipment and charge Lessee with the costs of such repossession or pursue any remedy described in Section 12.2.

Section 12.4. No Remedy Exclusive.

(a) No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. Furthermore, the exercise of one remedy shall not impair the right of the Lessor or its assignee to any or all other remedies. If any statute or rule validly shall limit the remedies given to the Lessor or any assignee of the rights of the Lessor hereunder, the



Lessor or its assignee nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

(b) No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power nor shall it be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor or its assignee.

Section 12.5. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof, and the non-defaulting party should employ attorneys and/or incur other expenses for the collection of moneys or for the enforcement of any obligation or agreement of the defaulting party hereunder, the defaulting party agrees that it will, on demand, pay to the nondefaulting party the reasonable fees of such attorneys and/or such other reasonable expenses so incurred by the nondefaulting party.

Section 12.6. Waiver. The waiver by the Lessor of any breach by the Lessee, and the waiver by the Lessee of any breach by the Lessor of any term, covenant or condition hereof shall not operate as a waiver of any subsequent breach of the same or any other term, covenant or condition hereof.

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be given in writing and shall be sufficiently given and served when delivered or deposited in the United States mail, postage prepaid, to the addresses specified on the first page hereof or when given by hand to the offices named on this first page of this Lease, provided that Lessor and Lessee, by notice given hereunder, may designate in writing different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2. Financial Information. During the Lease Term, within 180 days of Lessee's fiscal year end, Lessee will provide Lessor with current financial statements and such other financial information as may be requested by Lessor or its assignee.

Section 13.3. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.4. Book Entry. The Lessor's interest in this Lease 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 Lease Term, 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."

Section 13.5. Severability.

(a) In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(b) If for any reason this Lease is held by a court of competent jurisdiction void, voidable, or unenforceable by the Lessor or by the Lessee, or if for any reason it is held by such a court that any of the covenants and agreements of the Lessee hereunder, including the covenant to pay Rental Payments hereunder, is unenforceable for the full Lease Term, then and in such event for and in consideration of the right of the Lessee to possess, use and enjoy the Equipment, which right in such event is hereby granted, this Lease shall thereupon become and shall be deemed to be a lease from year to year under which the annual Rental Payment will be paid by the Lessee.

Section 13.6. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by Lessor and Lessee.

Section 13.7. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 13.8. Further Assurances and Corrective Instruments. Lessor and Lessee agree that each will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Equipment, for indicating the Effective Date and for carrying out the expressed intention of this Lease.

Section 13.9. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.10. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.



[signature page follows]



IN WITNESS WHEREOF, Lessor and Lessee have has caused this Lease to be executed by their duly authorized officers or officials as of the date first above written.

LESSOR

TRUSTMARK NATIONAL BANK, Lessor

By _____
Aaron Oberschmidt
Its **Senior Vice President**

LESSEE

City of Starkville, Mississippi, Lessee

By _____
Lynn Spruill
Its **Mayor**

List of Exhibits:

- A Equipment (See definitions and Section 9.1)
- B Schedule of Rental Payments (Section 5.2)
- C Schedule of Purchase Option Price
 (See definition of Purchase Option Price and Section X)
- D Certificate of Acceptance (Section 2.1(g))
- E Opinion of Counsel (Section 2.1(h))
- F Federal Tax Certificate (Section 2.1(i))
- G Insurance Requirements (Section 6.1)



EXHIBIT A
EQUIPMENT

The Equipment which is the subject of the attached Lease-Purchase Agreement is as follows:

<u>Quantity</u>	<u>Description</u>	<u>VIN Number(s)</u>
2	2018 New Dodge Ram 2500	3C6UR5CL1JG204949 3C6UR5CJ9JG217043

(See attached Invoice)



SUNSET
CHRYSLER-DODGE-JEEP-RAM
1463 Commerce Street - P.O. Box 1267
Telephone (662) 226-5124
GRENADA, MISSISSIPPI 38901



DATE 02/07/18

SOLD TO: CITY OF STARKVILLE PARK & REC
ADDRESS 405 LYNN LANE
STARKVILLE, MS 39759

INVOICE NO.

CUST. NO.	STOCK NO.	YEAR - MAKE	MODEL	NEW OR USED	VEHICLE IDENTIFICATION NO.	KEY NO.	SALESMAN
	D1565	2018 RAM	2500	NEW	3C6UR5CL1JG204949		WES HEARING

INSURANCE COVERAGE INCLUDES

- ☐ FIRE AND THEFT
☐ COLLISION - AMT. DEDUCT.

- ☐ PUBLIC LIABILITY - AMT.
☐ PROPERTY DAMAGE - AMT.

PRICE OF CAR 34,611.00
EXTENDED SERVICE PLAN N/A

OFFICIAL FEES N/A

OPTIONAL EQUIPMENT AND ACCESSORIES

GROUP MILES: 17
DESCRIPTION PRICE

PO# N 13849

SALES TAX N/A
TITLE FEE 10.00

TOTAL CASH PRICE 34,621.00

NET TRADE IN ALLOWANCE N/A

FACTORY REBATE N/A

DEPOSIT

CASH DUE ON DELIVERY N/A

SETTLEMENT:

TOTAL UNPAID BALANCE 34,621.00

TO BE FINANCED 34,621.00

N/A

0.00

TRADE IN

MAKE AND MODEL N/A

SERIAL # N/A

GROSS ALLOWANCE N/A

PAYOFF N/A

TO N/A

NET ALLOWANCE N/A

A DOCUMENT/SERVICE FEE IS NOT AN OFFICIAL FEE AND IS NOT REQUIRED BY LAW. HOWEVER, IT MAY BE CHARGED TO A BUYER/LESSEE FOR THE HANDLING OF DOCUMENTS AND THE PERFORMING OF SERVICES RELATED TO THE SALE OR LEASE AND MAY INCLUDE DEALER PROFIT. THIS NOTICE IS REQUIRED BY REGULATION OF THE MISSISSIPPI MOTOR VEHICLE COMMISSION

N/A
N/A

Paul

ALWAYS SHOW SERIAL, ENGINE AND KEY NUMBERS

SUNSET CHRYSLER DODGE JEEP
PO BOX 670 GRENADA, MS 38902

Date: February 7, 2018

BILL TO

CITY OF STARKVILLE
405 LYNN LANE
STARKVILLE, MS 39759

INVOCIE NUMBER:
WH208

Shipping Method

Shipping Terms

Delivery Date

Direct to Customer	Best Way	
--------------------	----------	--

Qty	Item #	Description	Job	Unit Price	Line Total
1	Appearance package	Wheels, chome front and rear bumper		814.00	\$ 814.00
1	Popular Equip Group	Remote entry, cloth seats, carpet		632.00	\$ 632.00
1	Shift fly	Shift on fly 4x4		268.00	\$ 268.00
1	Trailer tow	Trailer tow mirrors		177.00	\$ 170.00
1	Led bed	LED bed lighting		150.00	\$ 150.00
1	Running boards	Chrome Running Boards		541.00	\$ 541.00
1	OWL tires	All terrain tires		223.00	\$ 223.00
1	UCONNECT	Uconnect Bluetooth		177.00	\$ 277.00
1	Brake	Trailer brake control		238.00	\$ 288.00
				Subtotal	
				Sales Tax	
				Total	\$ 3,363.00

Authorized by

Date



EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

Lessee: **City of Starkville, Mississippi**
Commencement Date of Lease: **February 28, 2018**
Number and Frequency of Payments: **Sixteen (16) Quarterly Payments**

Rental Payment Schedule

<u>Due Date</u>	<u>Payment Number</u>	Total Payment	<u>Principal Component</u>	<u>Interest Component</u>
-----------------	---------------------------	---------------	--------------------------------	-------------------------------

See Attached
Schedule



Date: 2/28/2018
 Delinquent: 2/28/2018

Debt Service Schedule
 City of Starkville, MS

SLA 30/360 QTR 7/6
 BondRate

Period	Coupon Date	Int Calc Day Cnts	Principal Payment	Effective Coupon Rate	Interest Payment	Credit Enhancements	Periodic Debt Service	Outstanding Balance
1	3/1/2018		4,273.31	2.88000	5.19		4,278.50	60,626.69
2	6/1/2018		3,841.99	2.88000	436.51		4,278.50	56,784.70
3	9/1/2018		3,869.65	2.88000	408.85		4,278.50	52,915.05
4	12/1/2018		3,897.51	2.88000	380.99		4,278.50	49,017.54
5	3/1/2019		3,925.57	2.88000	352.93		4,278.50	45,091.97
6	6/1/2019		3,953.84	2.88000	324.66		4,278.50	41,138.13
7	9/1/2019		3,982.30	2.88000	296.20		4,278.50	37,155.83
8	12/1/2019		4,010.98	2.88000	267.52		4,278.50	33,144.85
9	3/1/2020		4,039.86	2.88000	238.64		4,278.50	29,104.99
10	6/1/2020		4,068.94	2.88000	209.56		4,278.50	25,036.05
11	9/1/2020		4,098.24	2.88000	180.26		4,278.50	20,937.81
12	12/1/2020		4,127.75	2.88000	150.75		4,278.50	16,810.06
13	3/1/2021		4,157.47	2.88000	121.03		4,278.50	12,652.59
14	6/1/2021		4,187.40	2.88000	91.10		4,278.50	8,465.19
15	9/1/2021		4,217.55	2.88000	60.95		4,278.50	4,247.64
16	12/1/2021		4,247.64	2.88000	30.58		4,278.22	0.00
16	Records =	16	\$64,900.00		\$3,555.72	\$0.00	\$68,455.72	

True Interest Cost (TIC)	2.8800000	Face Value of Bond Issue	\$64,900.00
Arbitrage Yield Limit (AYL)	0.0000000	Accrued Interest (+)	\$0.00
Average Life	1.9023505	Original Issue Premium/Discount (+)	\$0.00
		Underwriter Discount (+)	\$0.00
		Lump-sum credit enhancements (-)	\$0.00

Prepared by: Truemark National Bank
 Prepared on: 2/14/2018 10:51 1695 Rpt 01j

\\Main-Econ\Elc\src\MainDb
 ST\1RKV\2018\1



EXHIBIT C

SCHEDULE OF PURCHASE OPTION PRICE

<u>After Payment Number</u>	<u>Purchase Option Price</u>
Sixteen (16) Quarterly Payments	\$1.00



EXHIBIT D

CERTIFICATE OF ACCEPTANCE

I, the undersigned, hereby certify that I am the duly qualified and acting **Mayor** of the **City of Starkville, Mississippi** ("Lessee"); and, with respect to the Lease-Purchase Agreement dated **February 28, 2018** (the "Lease"), by and between Lessee and Trustmark National Bank ("Lessor"), that:

1. The Equipment described in the Lease has been delivered and installed in accordance with Lessee's Specifications and has been accepted by Lessee.

2. The Rental Payments provided for in Exhibit B to the Lease shall commence and be due and payable on **March 1, 2018** and on the **1st** of each **quarter** thereafter, in the amounts shown on Exhibit B to the Lease.

3. Lessee has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Rental Payments required to be paid under the Lease during the current fiscal year of Lessee, and such moneys will be applied in payment of all Rental Payments due and payable during such current fiscal year.

4. Lessee has obtained from a reputable insurance company or self funded group qualified to do business in the State insurance with respect to all risks required to be covered thereby pursuant to Article VI of the Lease.

5. Lessee is exempt from all personal property taxes and is exempt from sales and/or use taxes with respect to the Equipment and the Rental Payments.

6. During the Term, the Equipment will be used by Lessee to perform essential governmental functions. Such functions are:

Operations related to public services in the **Municipality**.

7. There is no litigation, action, suit or proceeding pending before any court, administrative agency, arbitrator or governmental body, or to the best of Lessee's knowledge, threatened, that challenges (a) the authority of Lessee or its officers or employees to enter into the Lease, (b) the proper authorization, approval and execution of the Lease and other documents contemplated thereby, (c) the appropriation of moneys sufficient to make Rental Payments coming due under the Lease in Lessee's current fiscal year, or (d) the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

All capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Lease.

Dated: **February 28, 2018**

City of Starkville, Mississippi

By _____
Lynn Spruill, Mayor



EXHIBIT E

OPINION OF COUNSEL

Trustmark National Bank
624 Main Street
Columbus, MS 39701

Aaron Oberschmidt, Senior Vice President

Re: Lease-Purchase Agreement dated as of **February 28, 2018**, between Trustmark National Bank ("Lessor") and the **City of Starkville, Mississippi** ("Lessee")

Gentlemen:

I have acted as counsel to Lessee with respect to the Lease-Purchase Agreement described above (the "Lease") and various related matters, and, in this capacity, have reviewed a duplicate original or certified copy of the Lease and the Exhibits attached thereto. Based upon the examination of these and such other documents as I deem relevant, it is my opinion that:

1. Lessee is a political subdivision of the State of Mississippi (the "State"), duly organized, existing and operating under the constitution and laws of the State.
2. Lessee is authorized and has power under applicable law to enter into the Lease and to carry out its obligations thereunder and the transactions contemplated thereby.
3. The Lease has been duly authorized, approved, executed and delivered by and on behalf of Lessee, and is a valid and binding contract of Lessee, enforceable in accordance with its terms, except to the extent limited by applicable state and federal laws affecting the enforcement of creditors rights and remedies generally.
4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting, public bidding and all other laws, rules and regulations of the State.
5. The execution of the Lease and the appropriation of moneys to pay the Rental Payments coming due thereunder do not result in the violation of any constitutional, statutory or other limitation relating to the manner, form or amount of indebtedness which may be incurred by Lessee.
6. There is no litigation, action, suit or proceeding pending before any court, administrative agency, arbitrator or governmental body or, to the best of my knowledge, threatened, that challenges the authority of Lessee or its officials, officers or employees to enter into the Lease; the proper authorization, approval and/or execution of the Lease, Exhibits thereto



and other documents contemplated thereby; the appropriation of moneys to make Rental Payments under the Lease for the current fiscal year of Lessee; or the ability of Lessee otherwise to perform its obligations under the Lease and the transactions contemplated thereby.

7.a. The Lease constitutes an obligation of the Lessee which is a political subdivision of the State of Mississippi within the meaning and for the purposes of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations and rulings thereunder.

b. Subject to the condition set forth in the immediately succeeding sentence, (a) the interest portion of the Lease Payments due under the Lease is excluded from gross income for federal income tax purposes, and (b) the Lease is not a "specified private activity bond" and the interest portion of the Lease Payments due under the Lease is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinions set forth in the immediately preceding sentence are subject to the condition that the Lessee comply with all requirements of the Code, compliance with which subsequent to the execution and delivery of the Lease is necessary in order that interest portion of the Lease Payments due thereunder be, or continue to be, excluded from gross income for federal income tax purposes. The Lessee has covenanted to comply with each such requirement in a Federal Tax Certificate of even date herewith. Failure to comply with certain of such requirements may cause the inclusion of the interest portion of the Lease Payments in gross income for federal income tax purposes to be retroactive to the date of issuance and delivery of the Lease. We express no opinion regarding other federal tax consequences arising with respect to the Lease.

8. The interest portion of the Lease Payments due under the Lease is exempt from State of Mississippi income taxation.

9. The Lease is qualified tax-exempt obligation as such term is used in Section 265(b)(3) of the Internal Revenue Code of 1986.

Dated: February 28, 2018

Very truly yours,

Chris Latimer, Attorney at Law



EXHIBIT F
LEASE AND OPTION TO PURCHASE DATED AS OF THE 28TH DAY OF FEBRUARY,
2018
FEDERAL TAX CERTIFICATE

Pursuant to the U.S. Internal Revenue Code of 1986, as amended. ("Code") and regulations thereunder, I, the undersigned of the **City of Starkville, Mississippi** (the "Lessee"), execute and deliver this certificate for the benefit of all persons interested in the exemption from federal income taxation of the interest to be paid on the Lease-Purchase Agreement (the "Lease") for the purchase of the equipment detailed in Exhibit A, attached hereto, between the Lessee and Trustmark National Bank, as lessor ("Lessor") dated and the tax treatment thereof under the Code.

This certificate may be relied upon as the certificate of the Lessee and is executed for the purpose of establishing the facts and reasonable expectations of the Lessee regarding the Lease. It is based upon facts, circumstances, estimates and expectations of the Lessee on the later to occur of the date on which the Certificate of Acceptance was executed and delivered or funds were disbursed by the Lessor in payment for the Equipment described therein (the "Closing Date"), and, to the best of my knowledge and belief, the expectations of the Lessee set forth herein are reasonable. I certify as follows:

1. I am the duly chosen, qualified and acting **Mayor** of the Lessee and as such I am charged with the responsibility for executing the Lease. I am familiar with the facts herein certified, and I am duly authorized to execute and deliver this certificate on behalf of the Lessee.

2. The Lessee has not been notified by the Internal Revenue Service of any listing or proposed listing of its disqualification as an issuer whose certification of its reasonable expectations as to future events on the date of issue of the Lease may not be relied upon by holders of obligations of the Lessee because it made a previous certification which contained a material misrepresentation.

3. The Lease is being issued for the purpose of acquiring the Equipment described in the Lease for use by the Lessee, a governmental use within the meaning of the Code, and is therefore not a private activity bond as such term is defined in the Code. The use of the Equipment by any person other than a governmental unit (including any activity carried on by a person other than a natural person) shall not exceed ten percent (10%) of the total use thereof.

4. The total cost of the Equipment (including the expenses of issuing the Lease) to be financed pursuant to the Lease is **\$64,900.00**. The balance, if any, of the Equipment costs will be provided by the Lessee from its own funds. The amount which the Lessee expects to receive pursuant to the Lease does not exceed the amount required for the aforementioned purpose.

5. The Lessor will acquire the Equipment from a vendor and will thereupon lease the Equipment to the Lessee pursuant to the Lease. The acquisition of the Equipment will not require



any construction.

6. The Lessee reasonably expects that on the Closing Date the funds needed to acquire the Equipment will be disbursed by the Lessor pursuant to the Lease, and the Lease will thereupon constitute the obligation of the Lessee to repay said funds. The total amount of advances by the Lessor shall not exceed **\$64,900.00**.

7. The Lessee does not expect the Equipment to be sold or otherwise disposed of, in whole or in part, or for any transaction or series of transactions to occur prior to the termination of the Lease which would enable the Lessee to allow the Lease to remain in force longer than would otherwise be necessary.

8. The Lessee reasonably expects that there will be no investment of money received by Lessee pursuant to the Lease and consequently no investment or reinvestment income therefrom.

9. The Lessee reasonably expects that no separate fund of the Lessee will be used to pay the Principal and Interest Components of the Rental Payments on the Lease.

10. The Lessee is a governmental unit or owned by a government unit with general taxing powers; no obligation of the Lessee pursuant to the Lease (the "Obligation") is a private activity bond (as defined in the Code); and ninety-five percent (95%) or more of the net proceeds of the Obligations are to be used for local governmental activities of the Lessee.

11. (a) The Lessee covenants and certifies to and for the benefit of the owners of the Obligations that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Obligations, including amounts treated as proceeds, if any, which will cause the Obligations to be classified as arbitrage bonds within the meaning of Section 148 of the Code, as amended, supplemented or superseded, and any regulations as such may be applicable to the obligations, at the time of such action, investment or use.

(b) (i) The Lessee hereby determines and represents that no rebate relating to the Obligations will be required to be made under the Code. However, in the event it is subsequently determined for any reason that rebates should be made on the Obligations, then the Lessee shall take all actions necessary in order to comply with the requirements of Subsection 148(f) of the Code ("Subsection 148(f)") in order that none of the Obligations shall be treated as an arbitrage bonds pursuant to Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States in accordance with and within the time limits prescribed in, the making of any and all calculations, computations and filings required pursuant to, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Regulations, thereunder.

(ii) In the event it is determined that a rebate is required to the United States to avoid the Obligations being treated as arbitrage bonds under Subsection 148(f), then, in order to



assure that there will be funds available to make any payments required pursuant to Subsection 148(f), the Lessee shall establish a separate and special account of the Lessee (to be designated the Rebate Account) into which the Lessee shall deposit: on or before the 30th day following each bond year (as hereinafter defined), (A) an amount equal to the excess of all earnings on all non-purpose investments (within the meaning of Subsection 148(f)) over the amount which would have been earned if such non-purpose investments had been invested at a rate equal to the yield (computed in accordance with Subsection 148(f) on the Obligations which amounts shall be credited to a fund designated the Excess Income Fund; and (B) all amounts earned on amounts in the Rebate Account, which amounts shall be credited to a fund designated as the Rebate Account Earning Fund. Amounts in the Rebate Account shall be used solely and only to make payments of rebates to the United States as required pursuant to Subsection 148(f), provided that, if at any time the amount in the Rebate Account exceeds the amount which, together with all amounts previously paid to the United States with respect to the Obligations pursuant to Subsection 148(f), will equal the amount which would be required to be rebated to the United States as a result of earnings on non-purpose investments received during the period beginning on the date of delivery of the Obligations and ending on the date of computation, the Lessee may, in its discretion, withdraw such excess from the Rebate Account and apply such monies to the rental payments due under the Lease or, if all payments due on the Obligations shall have been paid in full, and all rebates to the United States payable pursuant to Subsection 148(f) shall have been paid in full, the Lessee may use the amount withdrawn for any purpose permitted under the applicable laws of the State of Mississippi.

(iii) As used above, the term "Bond Year" shall mean the one-year period beginning on the date of delivery of the Obligations and each succeeding one-year period beginning on the day succeeding the immediately preceding Bond Year, or shall have such other meaning based on facts and circumstances relating to the Obligations as shall be specified in the Subsection 148(f) Regulations.

(c) The Lessee shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Obligations to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder,

(d) The Lessee shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Obligations in a manner or for a price which would cause any of the obligations to be or become an arbitrage bond, within the meaning of Section 148 of the Code and the regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price."

(e) In connection with the delivery of the Obligations, the Lessee has not and will not engage in any transaction or series of transactions that attempts to circumvent the provisions



of section 148 of the Code and the Treasury Regulations issued thereunder or applicable thereto (a) enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (b) increasing the burden on the market for exempt obligations, including, without limitation, the delivery of obligations in the nature of the Obligations that would not otherwise be sold, the incurring of more obligations in the nature of the Obligations than would otherwise be necessary, or the incurring of such obligations sooner, or allowing them to remain outstanding longer, than would otherwise be necessary.

12. (a) The Obligation(s) are not private activity bonds within the meaning of Section 141 of the Code.

(b) No more than 10% of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person) carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(c) No more than 10% of any property with respect to which all or any part of the proceeds of the Obligation(s) will be used, directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person), other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(d) None of the proceeds of the Obligation(s) will be used for any private business use (within the meaning of Section 141 of the Code) which is not related to a governmental use (within the meaning of Section 141 of the Code) of such proceeds.

(e) The amount of proceeds of the Obligation(s) used with respect to any private business use which is related to a governmental use of such proceeds will not exceed the amount of proceeds of the Obligation(s) which are to be used for the governmental use to which such private business use relates.

(f) None of the proceeds of the Obligation(s) will be used to make or finance loans for persons other than governmental units.

(g) In no event will the payment of the principal of or the interest on more than 10% of the proceeds of the Obligation(s) be (under the terms of the Lease or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Lessee) in respect of property or borrowed money used or to be used for a private business use. No party (other than a governmental unit) which shall use all or any part of the property acquired pursuant to the Lease shall make any payments to the Lessee which are in any way related to any property acquired pursuant to the Lease or in any other way related thereto, if the aggregate of all such payments



from all such private parties shall in any year equal or exceed 10% of the principal or interest portion of the Rental Payments under the Lease payable during such year, unless the Lessee shall have received an opinion of nationally recognized bond counsel to the effect that receipt of such payments will not adversely affect the exclusion of interest on the Lease from gross income for federal income tax purposes.

13. The Lessee covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Lessee, which (1) were or are to be sold at substantially the same time as the Obligation(s), (2) was or is to be sold at substantially the same interest rate as the Interest Component of the Rental Payments, (3) was or is to be sold pursuant to a common plan of marketing as the marketing plan for the Obligation(s), and (4) is payable directly or indirectly by the Lessee or from the source from which the Obligation(s) is payable. The Lessee covenants and certifies that there are no additional facts or circumstances which may further evidence that the Obligation(s) is part of any other issue of obligations.

14. The Lessee covenants and certifies that no payment of principal of or interest on the Obligation(s) is or will be guaranteed (in whole or in part, directly or indirectly) by the United States, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States. The Lessee represents, warrants and covenants that none of the proceeds of the Obligation(s) will be: (a) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States, or (b) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation, other than: (i) the investment of the proceeds of the Obligations for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Obligations are being issued; (ii) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (iii) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (iv) investments in notes issued by the United States Treasury; (v) or other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

15. The Lessee covenants and certifies that, notwithstanding any provision of this Certificate or the rights of the Lessee hereunder, the Lessee will not take or permit to be taken on its behalf any action which would impair the exemption of interest on the Obligation(s) from federal income taxation, and it will take such reasonable action as may be necessary to continue such exemption, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exemption.

All representations, warranties and covenants contained in the Lease are true and correct as of



the date of this Certificate.

Dated as of the 28th day of February, 2018

City of Starkville, Mississippi, Lessee

By: _____
Lynn Spruill
Its: **Mayor**

ATTEST:

By:
Its:

(SEAL)

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

► Under Internal Revenue Code section 149(e)

OMB No. 1545-0720

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 2 Issuer's employer identification number (EIN)

City of Starkville MS

6 4 6 0 0 1 0 8 2

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

Room/suite

110 West Main Street

4 City, town, or post office, state, and ZIP code

5 Report number (For IRS Use Only)

Starkville Ms 39759

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

Lynn Spruill Mayor

662-323-2525

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

8a Issue price of obligation(s) (see instructions) 8a 64,900.00

b Issue date (single issue) or calendar date (consolidated). Enter date in mm/dd/yyyy format (for example, 01/01/2009) (see instructions) ► 02/28/2018

9 Amount of the reported obligation(s) on line 8a that is:

a	For leases for vehicles	9a	
b	For leases for office equipment	9b	
c	For leases for real property	9c	
d	For leases for other (see instructions)	9d	
e	For bank loans for vehicles	9e	
f	For bank loans for office equipment	9f	
g	For bank loans for real property	9g	
h	For bank loans for other (see instructions)	9h	
i	Used to refund prior issue(s)	9i	
j	Representing a loan from the proceeds of another tax-exempt obligation (for example, bond bank)	9j	
k	Other	9k	

10 If the issuer has designated any issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check this box ☐11 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check this box (see instructions) ☐

12 Vendor's or bank's name:

13 Vendor's or bank's employer identification number:

Signature and Consent

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 of issuer's authorized representative _____ Date _____

Lynn Spruill Mayor
Type or print name and title

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.



EXHIBIT G

INSURANCE REQUIREMENTS

20. CONSIDERATION FOR LASHONDA R. MALONE TO ATTEND THE EMERGENCY SERVICES ADMINISTRATIVE PROFESSIONALS ASSOCIATION CONFERENCE ON MAY 2 - 4, 2018 IN NATCHEZ, MS WITH ADVANCE TRAVEL NOT TO EXCEED \$750.00.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval for Lashonda R. Malone to attend the Emergency Services Administrative Professionals Association Conference on May 2 - 4, 2018 in Natchez, MS with advance travel not to exceed \$750.00” is enumerated, this consent item is thereby approved.

21. CONSIDERATION FOR MARK MCCURDY TO ATTEND THE MS FIRE INVESTIGATORS ASSOC. 2018 SPRING SEMINAR ON APRIL 11 – 13, 2018 IN OXFORD, MS WITH ADVANCE TRAVEL NOT TO EXCEED \$800.00.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of Mark McCurdy to attend the MS Fire Investigators Assoc. 2018 Spring Seminar on April 11 – 13, 2018 in Oxford, MS with advance travel not to exceed \$800.00” is enumerated, this consent item is thereby approved.

22. CONSIDERATION TO HIRE KANESHIA HENDRIX, AS THE ADMINISTRATIVE ASSISTANT IN THE PARKS AND RECREATION DEPARTMENT.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to hire Kaneshia Hendrix, as the Administrative Assistant, in the Parks and Recreation Department” is enumerated, this consent item is thereby approved.

23. CONSIDERATION TO ADVERTISE FOR A PAYROLL CLERK FOR THE CITY OF STARKVILLE.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to advertise for a Payroll Clerk, for the City of Starkville” is enumerated, this consent item is thereby approved.

24. CONSIDERATION TO CHANGE STARKVILLE UTILITIES FROM A SEMI-MONTHLY PAYPERIOD TO A BIWEEKLY PAYPERIOD.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to change Starkville Utilities from a semi-monthly pay period to a biweekly pay period effective February 27, 2018” is enumerated, this consent item is thereby approved.

25. CONSIDERATION TO CHANGE THE CITY OF STARKVILLE BIWEEKLY PAYPERIOD CYCLE DATE.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to change the City of Starkville biweekly pay period cycle date effective March 16, 2018”

is enumerated, this consent item is thereby approved.

26. CONSIDERATION TO ADVERTISE FOR FIVE (5) PART-TIME POSITIONS IN THE STARKVILLE PARK AND RECREATION DEPARTMENT.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to advertise for five (5) part-time positions in the Starkville Park and Recreation Department” is enumerated, this consent item is thereby approved. These positions will be paid only for actual hours worked, not to exceed twenty (20) hours per week at \$10.00 per hour and will not be eligible for benefits.

The five part-time positions are:

- Two (2) part-time Athletic Assistant Positions.
- One (1) part-time Program Assistant Position.
- One (1) part-time Custodian Position.
- One (1) part-time Receptionist Position.

27. CONSIDERATION OF THE SERVICE PROVIDER AGREEMENT WITH STARKVILLE CHRISTIAN SCHOOL FOR USE OF AN ATHLETIC FIELD FOR THEIR SOFTBALL AND BASEBALL SEASONS.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of the service provider agreement with Starkville Christian School for use of an athletic field for their softball and baseball seasons” is enumerated, this consent item is thereby approved.

**STARKVILLE PARKS AND RECREATION DEPARTMENT
FACILITY USE AGREEMENT**

This is an agreement by and between the **CITY OF STARKVILLE**, a Mississippi municipal corporation herein after referred to as the "City", by and through its authorized representative, and **STARKVILLE CHRISTIAN SCHOOL**, herein after referred to as the "User."

**ARTICLE I
GENERAL TERMS**

1.01 This Agreement shall be in effect for the duration of the 2017-2018 Starkville Christian School Baseball and Softball Seasons. The City will permit the User to use one field located at the Starkville Sportsplex, address 405 Lynn Lane, Starkville, Mississippi 39759 for the duration of the agreement, herein after referred to as the "Facility" for the purposes of practices and games for the Starkville Christian School Baseball and Softball teams. While primary use by the User shall be at the Starkville Sportsplex, if necessary, other fields or facilities may be used, including fields or facilities at locations other than the Starkville Sportsplex. The City shall have the option to immediately terminate this Agreement at any time with or without cause.

1.02 The schedule of facilities dates and times are attached at end of the agreement and shall be subject to change at the discretion of the City. Both parties will review the requested facilities schedule before each individual season begins.

1.03 In exchange for the above-referenced use of the Facility, the User shall pay the City the amount described below for the term of the agreement:

- (a)** Fifteen and no/100 Dollars (\$15.00) per player.
- (b)** Five and no/100 Dollars (\$5.00) per player for individuals that show proof of financial hardship. This provision would be on a player-by-player basis and User is responsible for collecting this proof.

1.04 The User agrees that it will be solely responsible for the following items:

- (a)** Locking all doors to buildings and structures and securing all gates and other access points prior to leaving after each use of the Facility
- (b)** Picking up ground litter from Facility, including fields and surrounding areas, prior to leaving after each use of the Facility
- (c)** Paying for all damages related to and arising out of use of the Facility by the User
- (d)** Ensuring all team representatives have a current background check.

1.05 To maintain order and safety, the User will assign one person as an on-site representative during all scheduled uses of the Facility and provide the City contact information for the individual assigned.

1.06 The City agrees that it will be responsible for providing the following items during the term of this Agreement:

- (a) Marking fields to proper dimensions prior to the first properly scheduled game of the season and remarking as necessary
- (b) Cleaning and stocking of restrooms
- (c) Installing nets, bases, and similar equipment related to the proposed use of Facility by the User
- (d) General grounds maintenance of Facility and City-installed equipment
- (e) Determining whether the Facility will be open or closed for the User's use because of inclement weather, damage to the Facilities, and other unforeseen acts of God and updating the City's pre-recorded telephone system, web page or other communication devices it may have in place to notify the public of such schedule changes. The User agrees to abide by all rulings regarding whether the facility is open or closed, and will be held responsible for damages resulting from play that occurs on closed fields.

1.07 The User is prohibited from using personal equipment to perform maintenance on any City facilities.

1.08 Priority usage of City facilities shall go to recreational leagues and teams, with all others including non-recreational, tournament teams receiving secondary priority.

1.09 The User is prohibited from transferring use or renting out any city facility for profit. The City maintains the right to rent out all city facilities when not in use by the User.

ARTICLE II INSURANCE REQUIREMENTS

2.01 During the term of this Agreement, the User shall procure and maintain, at its sole cost and expense, a General Liability insurance policy for injuries to persons or damages to property that may arise from or in connection with the use of the Facility and the activities associated with the use of the Facility by the User, its agents, representatives, participants, attendees, employees, and volunteers for limits of not less than **\$1,000,000 for personal injury,**

death, or property damage to the Facility out of any one occurrence. This insurance must name the City of Starkville, MS as an additional insured under the policy and contain a waiver of subrogation in favor of the City of Starkville, MS. Only insurance carriers licensed and authorized to do business in the state of Mississippi will be accepted. The User's insurance coverage shall be primary insurance with respect to the City, its officials, agents, employees, and volunteers. Any insurance or self-insurance maintained by City, its officials, agents, employees or volunteers shall be considered secondary and in excess of the User's insurance and shall not contribute to it.

2.02 A certificate of insurance and copies of all endorsements shall be furnished to the City at the time of execution of this Agreement and approved by the City **before** any use of the Facility commences.

ARTICLE III NON-DISCRIMINATION CLAUSE

The User hereby agrees to refrain from any activity in relation to use of the Facility that discriminates against any person or persons based upon race, color, creed, national origin, disability, religion, age, or sex, and in accordance with present federal and state laws.

ARTICLE IV USE OF FACILITY KEYS

The City will issue key(s) to the User for and during the use of the Facility. The keys may not be reproduced or duplicated by the User. The User agrees to return these keys to City within five working days after the conclusion of the term of this Agreement unless mutually agreed upon otherwise by the parties. Upon failure to return any of said keys issued by the City to the User, the User agrees to reimburse City for the cost to make new key(s) and install new lock(s).

ARTICLE V REPAIRS AND DAMAGES TO FACILITIES

The User agrees to be solely responsible for any and all damages related to and arising out of the use of the Facility during the term of this Agreement when the Facility is being used by the User. This applies, but not limited, to any and all persons associated with the User who use the Facility or who attend the User's events at the Facility during the term of the Agreement. The User agrees to be solely responsible for all repairs or costs of repairs to the Facility and for any and all related damages as set forth herein.

ARTICLE VI SCHEDULE OF ACTIVITIES

6.01 The User must deliver a schedule of activities to the City prior to the beginning of the initial term of the Agreement and updated before the start of each new Season. This schedule of activities must include the following information:

- (a) Dates and times of scheduled games and practices
- (b) Any other pertinent information as reasonably requested by the City to assist it in carrying out its obligations herein and in serving the general public.
- (c) Any requested changes to the facility usage schedules submitted to the City shall be forwarded and approved prior to taking effect.

ARTICLE VII SAFETY PROCEDURES

The User hereby agrees to abide by generally-recognized standards of safety, regulations and procedures for the nature of the proposed use of the Facility. The User, including its players, attendees, league officials, employees and volunteers, are also required to abide by City of Starkville park rules and ordinances.

ARTICLE VIII CRIMINAL BACKGROUND CHECKS

The User shall conduct criminal background checks on all persons acting as head coaches, assistant coaches, board members, and any other person acting in an official capacity with any organization involved in the User's activities. These checks shall be conducted prior to the beginning of the season for which the individual is first involved and shall be valid for no more than one calendar year. The User shall employ a reputable company licensed by the State of Mississippi to conduct such checks unless these checks are conducted by the User's state or national sanctioning body. Should an individual be disqualified as a result of the check, based upon generally-recognized standards for the protection of youth, the User shall prohibit that individual from serving in any official capacity with the User's activities. Additionally, the User shall provide to the City, upon request, a listing of all individuals who have undergone a criminal background check.

ARTICLE IX INDEMNIFICATION

The User shall indemnify, hold harmless, and defend the City, its officers, agents, employees and volunteers from and against any and all claims, losses, damages, causes of action, suits, and liability of every kind, including all expenses of litigation, court costs, and attorney's fees, for injury to or death of any person or for damage to any property arising out of or in connection with the use of the Facility by the User. Such indemnity shall apply regardless of whether the claims, losses, damages, causes of action, suits, or liability arise in whole or in part from the negligence of the City, any other party indemnified hereunder, the User, or any third party. It is the intent of the parties that this provision shall extend to, and include, any and all claims, causes of action or liability caused by the concurrent, joint and/or contributory negligence of the City, an alleged breach of an express or implied warranty by the City or which arises out of any theory of strict or products liability.

**ARTICLE X
RELEASE**

The User hereby releases, relinquishes and discharges the City, its officers, agents, employees and volunteers from all claims, demands, and causes of action of every kind and character, including the cost of defense thereof, for any injury to or death of any person and any loss of or damage to any property that is caused by or alleged to be caused by, arising out of, or in connection with the User's use of the Facility whether or not said claims, demands, or causes of action are covered in whole or in part by insurance.

**ARTICLE XIV
MISCELLANEOUS TERMS**

14.01 This Agreement has been made under and shall be governed by the laws of the State of Mississippi. The parties agree that performance and all matters related thereto shall be in Oktibbeha County, Mississippi.

14.02 This Agreement and the rights and obligations contained herein may not be assigned or sublet by the User without the prior written approval of the City.

14.03 This Agreement contains the entire agreement between the parties. There are no other written or oral agreements, contracts, or understandings between the parties.

14.04 No waiver or deferral by either party of any term or condition of this Agreement shall be deemed or construed to be a waiver or deferral of any other term or condition or to be a subsequent waiver or deferral of the same term or condition.

14.05 This Agreement may only be amended by written instrument approved and executed by both parties.

14.06 The parties hereby state that they have read the terms of this Agreement and hereby agree to the terms and conditions contained herein.

ATTACHMENTS

1. Schedule of activities
2. User's Certificate of Insurance

STARKVILLE CHRISTIAN SCHOOL

CITY OF STARKVILLE

By: _____

By: _____

Printed Name: _____

Mayor

Date: _____

Title: _____

APPROVED:

Date: _____

City Attorney

Date: _____

28. CONSIDERATION TO TRANSFER A 2005 FORD VIN# 1FMPU16546LA32710 TO THE AIRPORT AND REMOVE FROM POLICE INVENTORY.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to transfer a 2005 Ford VIN# 1FMPU16546LA32710 to the Airport Board and remove from Police Inventory” is enumerated, this consent item is thereby approved.

29. CONSIDERATION OF THE RENTAL AGREEMENT WITH CANON SOLUTIONS AMERICA FOR A 60 MONTH RENTAL OF A CANON COPIER TO BE USED BY THE POLICE DEPARTMENT AT A COST OF \$210 PER MONTH.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of a rental agreement with Canon Solution America for a 60 month rental of a Canon copier to be used by the Police Department at a cost of \$210 per month” is enumerated, this consent item is thereby approved.

30. CONSIDERATION TO SELECT CLEARWATER CONSULTANTS, INC. AS THE PROJECT ENGINEER FOR THE CITY OF STARKVILLE’S COMMUNITY DEVELOPMENT BLOCK GRANT AND CAP LOAN WHICH WILL INSTALL A GRAVITY-FED SEWER COLLECTION SYSTEM WITHIN THE ROUNDHOUSE ROAD AREA.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of authorization to select Clearwater Consultants, Inc.as project engineer for the City of Starkville’s Community Development Block Grant and CAP Loan which will install a gravity-fed sewer collection system within the Roundhouse Road area” is enumerated, this consent item is thereby approved.

31. CONSIDERATION OF THE LOWEST AND BEST BIDS RECEIVED FOR JANUARY 1, 2018 – JUNE 30, 2018 SOURCE OF SUPPLY LISTING.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of the lowest and best bids received for January 1, 2018 through June 20, 2018 source of supply listing for Starkville Utilities – Water Division” is enumerated, this consent item is thereby approved.

Water Department
Source and Supply Awards 2018

Product Group Bids	Central Pipe	Core and Main	G & C Supply	Consolidated Pipe
Meter Service Fittings	\$ 44.01	\$ 45.29	\$ 46.84	\$ 46.49
Tapping Saddles	\$ 42.02	\$ 42.51	\$ 47.90	\$ 44.22
Tapping Sleeves	\$ 377.53	\$ 414.89	\$ 419.28	\$ 425.21
Brass Fittings	\$ 8.03	\$ 8.04	\$ 21.02	\$ 8.93
Gate Valves	\$ 382.65	\$ 401.95	\$ 403.23	\$ 382.79
Repair Clamps	\$ 47.74	\$ 66.11	\$ 50.03	\$ 68.42
Couplings Water	\$ 57.55	\$ 78.27	\$ 59.48	\$ 80.54
Couplings Sewer	\$ 43.70	\$ 36.21	\$ 40.14	\$ 40.40
CTS Tubing	NO BID	NO BID	\$ 398.85	NO BID
Sewer Saddles Tees and Wyes	\$ 27.56	\$ 20.57	\$ 29.06	\$ 29.95

Single Item Bids	Central Pipe	Core and Main	G & C Supply	Consolidated Pipe
Fire Hydrant: 2 Way x 3.5 Ft. Bury	NO BID	NO BID	NO BID	\$ 1,350.00
Fire Hydrant: 3 Way X 3.5 Ft. Bury	NO BID	NO BID	NO BID	\$ 1,550.00
Concrete Meter Box, Small, Less Lid	NO BID	\$ 27.00	\$ 12.98	NO BID
Concrete Meter Box, Large, Less Lid	NO BID	\$ 79.00	\$ 42.00	NO BID
Meter Box Plastic - 10x15 Plastic Meter Box - Pallet	\$ 756.00	\$ 647.28	\$ 839.70	\$ 864.00
Meter Box Plastic - Plastic lid only	\$ 256.00	\$ 444.96	\$ 359.00	\$ 1,512.00

Water Treatment Chemicals	Allied Universal	Wofford Water	Brenntag
Potassium Permanganate	NO BID	NO BID	\$ 3.85
Sodium Flouride	NO BID	NO BID	\$ 0.98
Soda Ash	NO BID	NO BID	\$ 0.35
Chlorine Gas 150 lb Cylinder	\$ 0.4566	NO BID	\$ 0.51
Chlorine Gas 2,000lb Cylinder	\$ 0.249	NO BID	NO BID
Carus Chemical Company (Aqua Mag)	NO BID	NO BID	NO BID
Mersch Co. (Aqua Gold)	NO BID	\$ 13.45	NO BID
Sulfur Dioxide	\$ 89.00	NO BID	\$ 102.00

32. CONSIDERATION TO DECLARE 12 ITEMS LISTED AS SURPLUS PROPERTY, ADVERTISE FOR SALE, AND SELL TO THE HIGHEST BIDDER.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval to declare 12 items listed below as surplus property, advertise for sale and sell to the highest bidder” is enumerated, this consent item is thereby approved.

Vehicle or Equipment		Make	Model	VIN or MODEL NUMBER	
1. 1997 Mini excavator		IHI	185	BC001264	
2. 1998 Ford Taurus		Ford	SE	1fafp57uxwa165803	
3. 1995 Ford Truck		Ford	F150	1FTDF15Y3PNA63899	
4. 2001 Dodge Ram		Dodge	1500 V8	1B7HC16Y81S231988	
5. 1998 Dodge Ram		Dodge	1500 V8	1B7HC16Y2XS190007	
SED Surplus Equipment					
Vehicle	VIN	Chassis	Model	Year	Note
Number		Mfr.		Model	
21	70QVCA6281	Ford	F7000 Chassis Only	1978	Chassis Only
32	1FTCR14X9SPA77640	Ford	Ranger	1995	
42	GCCS19W728177718	Chevy	S10	2002	
48	2FALP71W2RX118494	Ford	Crown Victoria	1994	
Fork Lift	A187B13562K	Hyster	S50XL		5000 # Capacity
Fork Lift	Unknown	Clark	Unknown	Unknown	
Wire Puller	Trailer VIN 2171	Home Built	None	Unknown	

33. CONSIDERATION FOR STARKVILLE UTILITIES TO SELECT HAWK SCADA AS THE SUCCESSFUL PROPOSER FOR WATER SCADA SYSTEM UPGRADE AND SERVICES.

Upon the motion of Alderman Little, duly seconded by Alderman Carver, and adopted by the Board to approve the February 20, 2018 Official Agenda, and to accept items for consent, whereby the “approval of HAWK SCADA as the successful proposer for water SCADA system upgrade and services and enter into construction contract for \$223,750.00” is enumerated, this consent item is thereby approved.

February 9, 2018

Mr. Terry Kemp, General Manager
Starkville Utilities
P.O. Box 927
Starkville, Mississippi 39760-0927

Re: RFP#17-1 Request for Proposals
Water SCADA System Upgrade and Services
Starkville, Mississippi

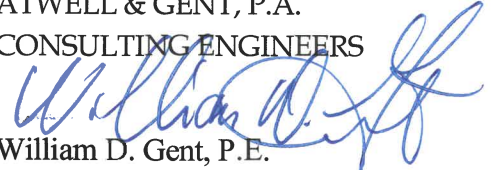
Dear Terry,

The Starkville Utilities evaluation committee has concluded our evaluations of the three (3) proposals received for the referenced project. As you are aware, the committee initially reviewed the proposals received to identify those Proposers, we felt best qualified for the project. At the end of this initial review, three (3) Proposers (Controls Systems, Inc., Dexter Fortson Associates, Inc., and Hawk SCADA) were selected for further consideration. Subsequently, we conducted face to face interviews with the three (3) Proposers, and began a final evaluation based upon the scoring criteria included as a part for the Request for Proposals (RFP), to identify the Proposer or Proposers that provided the City of Starkville the best combination of qualifications, experience, technical expertise and value. After scoring, the committee selected the top two (2) Proposers and conducted site visits to observe the Proposers SCADA systems in operation. At the end of this evaluation, the committee felt one proposer, Hawk SCADA, clearly separated itself from the remaining Proposers. A copy of the committee's final selection criteria and evaluation rubric is included as "Attachment A". Additionally, a 15-year total cost of ownership spreadsheet for each of the Proposers is included as "Attachment B".

On behalf of the committee, I recommend that the City of Starkville select Hawk SCADA as the successful Proposer for this RFP and enter a construction contract in the proposed amount of \$223,750.00. Hawk SCADA proposal for this project provides the City of Starkville the best combination of qualifications, experience, technical expertise and value required for this project to be successful.

Sincerely,

ATWELL & GENT, P.A.
CONSULTING ENGINEERS



William D. Gent, P.E.

Enclosures



Request for Proposal (RFP) – HAWK SCADA

Selection Criteria & Evaluation Rubric

The following criteria will be used by reviewers to evaluate the RFP as a whole. Proposals will be reviewed to ensure they contain all required components. A Proposal that receives a score of 0 on any Part will not be considered.

Part I Technical Evaluation Criteria	<u>Points</u>
<u>Demonstrated understanding of the City of Starkville requirements and needs.</u> 1. Excellent (Proposed SCADA System and Services demonstrates understanding of the City of Starkville requirements and needs.) – 10 Points 2. Good (Proposed SCADA System and Services demonstrates a general understanding of the City of Starkville requirements and needs) 3. Inadequate (Proposed SCADA System does demonstrate understanding of the City of Starkville requirements and needs) – 0 Points	10
<u>Proposed solution, including: software and hardware components, ease of maintenance, and completeness of solution.</u> 1. Excellent (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides the desired features, functionality, and Performance) – 20 Points 2. Good (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides nearly all of the desired features, functionality, and Performance) 3. Inadequate (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides does not provide the desired features, functionality, and Performance) – 0 Points	18

Part I (Continued) Technical Evaluation Criteria	<u>Points</u>
<u>PROPOSER’S Team Experience and Overall Qualifications, including: Northeast Mississippi area presence, implementation methodology and experience of implementing similar systems, training and support capabilities and references.</u> 1. Excellent (Proposer’s Team Experience and Overall Qualifications, including: Northeast Mississippi Area Presence (Similar SCADA Systems installed in “Northeast Mississippi”, implementation, methodology and experience of implementing similar systems, training and support capabilities and references). – 15 Points 2. Good (Proposer’s Team Experience and Overall Qualifications, does not have a Northeast Mississippi Area Presence, Good implementation, methodology and experience of implementing similar systems, training and support capabilities and references). 3. Inadequate (Proposer’s Team Experience and Overall Qualifications, Northeast Mississippi Area Presence (No Similar SCADA Systems installed in Northeast Mississippi), (Poor, implementation, methodology and experience of implementing similar systems, training and support capabilities and references). -0 Points	15
<u>Proposed services and quality of overall work plan</u> 1. Excellent (Proposed Services and quality of work plan to install proposed system met the requirements of the proposal, which includes keeping the existing SCADA system operating until proposed SCADA System has been completely tested and ready of use) -15 Points 2. Good (Proposed Services and quality of work plan to install proposed system meets the intention of the proposal, work plan is general and not complete, but does give an outline of the proposed work 3. Inadequate (Proposed Services and quality of work plan does not meet the intention of the proposal). – 0 Points	15

Part I (Continued) Technical Evaluation Criteria		Points
<u>Experience, qualifications, and capability of staff proposed to assist City of Starkville, with particular attention to the key developers/contract and project manager.</u> 1. Excellent (Proposer has excellent experience, qualifications, and capability of staff to assist City of Starkville) - 20 Points 2. Good (Proposer has good experience, qualifications, and capability of staff to assist City of Starkville) 3. Inadequate Proposer has limited experience, qualifications, and limited capability of staff to assist City of Starkville) - 0 Points		20
<u>Completeness of response.</u> 1. Excellent (Proposer provided a complete response to RFP, which included answers to proposed questions, technical data, proposed HMI screenshots, functionality, and desired features, work plan) - 10 Points 2. Good (Proposer provided a partial response to RFP, which included answers to proposed questions, partial description of technical data, HMI screenshots, functionality, and desired features, and work plan.) 3. Inadequate (Proposer did not provide answers to proposed questions, technical data, HMI screenshots, functionality, desired features, and work plan) - 0 Points		10
<u>Time to implement the system.</u> 1. Excellent (Proposer time to implement the system is less than 180 days (6 months)) - 10 Points 2. Good (Proposer time to implement the system greater than 180 days but less than 240 days). 3. Inadequate Good (Proposer time to implement the system greater than 240 days.) - 0 Points		10
TOTAL POINTS		98/100

Part I (Continued)

Technical Evaluation Criteria

Reviewer Comments:

1. Hawk SCADA whose parent company is Innovative Broadcast Services (IBS), is a local company. Their home office and technical services are located Starkville, Mississippi.
2. Has been installing SCADA systems and providing technical services since 1992.
3. Multiple ongoing maintenance packages available to provide continuing support.
4. Proposed three (3) year service agreement as requested in RFP.
5. Mississippi State University is currently utilizing a Hawk SCADA system.
6. Currently have 38 active SCADA systems involved in municipal or association-based water and wastewater monitoring and control.
7. Maintenance parts available locally, reducing need for Utility to keep an inventory of replacement parts.
8. Proposed IP based backbone 5.8 GHz system between elevated tanks which provides high bandwidth, self-healing network, and additionally provides internet connectivity to Bluefield.
9. Proposed system can be utilized in the future to include lift stations, surveillance cameras, etc.
10. Proposed control implementation methodology demonstrated an understanding of the existing City of Starkville water system.
11. Proposed project plan is a multistage installation plan which includes parallel operation of the proposed SCADA system with the existing system, thus proposed system would be fully installed and placed in operation to allow testing, and training before placing system in control operation.
12. Relevant experience, North Mississippi presence:
 - City of Olive Branch
 - Mississippi State University
 - Clayton Village Water Association
 - City of Aberdeen
 - City of Kosciusko
 - Town of Ackerman
 - North Lee County Water Association
 - City of Houston
 - Taylor Water Association
 - Hopewell Water Association
 - Sardis Lake Water Association
 - City of Water Valley
 - Town of Burnsville
 - Wren Water Association
 - City of Verona
13. Project Team & Plan: Excellent.

Part II

Commercial Evaluation

Reasonableness of price, including: packaged software license cost, cost of required software program development, cost of hardware components, unit labor cost, training cost, service cost during the maintenance period, additional proposed cost.

Reviewer Comments:

The proposed first cost of \$223,750.00 for the Hawk SCADA system is reasonable and within the proposed project budget of \$300,000.00. The proposed system had the lowest 15-year total cost of ownership in the amount of \$247,510.00. The proposed cost included training; three (3) years of service; three (3) years of software license and maintenance; replacing pressure transducers at the elevated tank sites; standalone remote terminal units to provide the system with redundancy; IP based radio backbone system; software; and server. Performance and payment bonds, mobilization and Insurance cost are also included.

Contract Terms:

Proposed utilizing Engineers Joint Contract Documents Committee (EJDC C-520), "Agreement Between Owner and Contractor for Construction Contract (Stipulated Price)." Hawk SCADA also agreed to the contract requirements stated in RFP, Section 7, "Contract Requirements". Additionally, proposed the following specific and negotiable details which would be included as part of the EJDC C-520 document:

Article 4: Contract Times:

4.02 Contract Times: Days

- A. The Work will be substantially completed within 150 days after the date when the Contract Times Commence to run as provided in Paragraph 4.01 of the General Conditions and completed and ready for final payment in accordance with the General Conditions within 180 days after the date when the Contract Times commence to run.

4.03 Liquidated Damages

- A1: Substantial Completion: Contractor shall pay Owner \$100.00 for each day that expires after the time specified for Substantial Completion until the work is substantially complete.
- A2: Completion of Remaining Work: After substantial completion, if contractor shall neglect, refuse, or fail to complete the remaining work within the contract time for completion and readiness for final payment, Contractor shall pay Owner \$200.00 per day that expires after such time until the work is completed and ready for final payment.

Article 5: Contract Price: As negotiated per this RFP.

Part II**Contract Terms (Continued)**

Article 6: Payment Procedures:

6.02 Progress Payments; Retainage

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or about the 20th day of each month during the performance of the work.
 - 1. Prior to substantial completion, progress payment will be made in an amount equal to % indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Owner may withhold, including but not limited to liquidated damages, in accordance with the Contract.
 - a. 95% of Work Completed (with balance being retainage)
 - b. 95% of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
- B. Upon Substantial Completion of the entire construction to be provided under the Contract Documents, Owner shall pay an amount sufficient to increase total payments to the Contractor to 95% of the work completed, less such amounts set off by Owner pursuant to the General Conditions and less 200% of Engineer's estimate of the value of Work to be completed or corrected prior to final payment.

Warranty: Maintenance services offered on all components of the SCADA system, including a three (3) year period following system acceptance on software and support. It will include a one (1) year warranty on hardware installed on the project. Response time shall be within 6 hours, anytime 24 hours a day, 7 days a week.

Part III**Summary****Points**

Reviewer Comment: Of the three (3) proposals evaluated, Hawk SCADA's proposal was the highest scoring proposal. Starkville Utilities' personnel conducted site visits and confirmed with several of Hawk's SCADA existing clients that Hawk's SCADA System and Services are outstanding. Additionally, the proposed Hawk SCADA system allows for future expandability to include video monitoring of water treatment plants, well sites, and provides a system that is expandable in the future to provide monitoring and control of the City of Starkville's wastewater lift stations. Hawk SCADA is a local company whose home office and technical services are located Starkville, Mississippi. Hawk SCADA proposed contract terms which exceed the minimum contract terms of the proposal by providing a method to apply liquidated damages if project is not completed, by the proposed contract time of 150 days.

TOTAL POINTS**98/100**

Request for Proposal (RFP) – Dexter Fortson Associates, Inc.

Selection Criteria & Evaluation Rubric

The following criteria will be used by reviewers to evaluate the RFP as a whole. Proposals will be reviewed to ensure they contain all required components. A Proposal that receives a score of 0 on any Part will not be considered.

Part I Technical Evaluation Criteria	<u>Points</u>
<u>Demonstrated understanding of the City of Starkville requirements and needs.</u> 1. Excellent (Proposed SCADA System and Services demonstrates understanding of the City of Starkville requirements and needs.) – 10 Points 2. Good (Proposed SCADA System and Services demonstrates a general understanding of the City of Starkville requirements and needs) 3. Inadequate (Proposed SCADA System does demonstrate understanding of the City of Starkville requirements and needs) – 0 Points	8
<u>Proposed solution, including: software and hardware components, ease of maintenance, and completeness of solution.</u> 1. Excellent (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides the desired features, functionality, and Performance) – 20 Points 2. Good (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides nearly all of the desired features, functionality, and Performance) 3. Inadequate (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides does not provide the desired features, functionality, and Performance) – 0 Points	18

Part I (Continued) Technical Evaluation Criteria	<u>Points</u>
<u>PROPOSER'S Team Experience and Overall Qualifications, including: Northeast Mississippi area presence, implementation methodology and experience of implementing similar systems, training and support capabilities and references.</u> 1. Excellent (Proposer's Team Experience and Overall Qualifications, including: Northeast Mississippi Area Presence (Similar SCADA Systems installed in "Northeast Mississippi", implementation, methodology and experience of implementing similar systems, training and support capabilities and references). – 15 Points 2. Good (Proposer's Team Experience and Overall Qualifications, does not have a Northeast Mississippi Area Presence, Good implementation, methodology and experience of implementing similar systems, training and support capabilities and references). 3. Inadequate (Proposer's Team Experience and Overall Qualifications, Northeast Mississippi Area Presence (No Similar SCADA Systems installed in Northeast Mississippi), (Poor, implementation, methodology and experience of implementing similar systems, training and support capabilities and references). -0 Points	14
<u>Proposed services and quality of overall work plan</u> 1. Excellent (Proposed Services and quality of work plan to install proposed system met the requirements of the proposal, which includes keeping the existing SCADA system operating until proposed SCADA System has been completely tested and ready of use) -15 Points 2. Good (Proposed Services and quality of work plan to install proposed system meets the intention of the proposal, work plan is general and not complete, but does give an outline of the proposed work 3. Inadequate (Proposed Services and quality of work plan does not meet the intention of the proposal). – 0 Points	13

Part I (Continued) Technical Evaluation Criteria		Points
<u>Experience, qualifications, and capability of staff proposed to assist City of Starkville, with particular attention to the key developers/contract and project manager.</u> 1. Excellent (Proposer has excellent experience, qualifications, and capability of staff to assist City of Starkville) - 20 Points 2. Good (Proposer has good experience, qualifications, and capability of staff to assist City of Starkville) 3. Inadequate Proposer has limited experience, qualifications, and limited capability of staff to assist City of Starkville) - 0 Points		20
<u>Completeness of response.</u> 1. Excellent (Proposer provided a complete response to RFP, which included answers to proposed questions, technical data, proposed HMI screenshots, functionality, and desired features, work plan) - 10 Points 2. Good (Proposer provided a partial response to RFP, which included answers to proposed questions, partial description of technical data, HMI screenshots, functionality, and desired features, and work plan.) 3. Inadequate (Proposer did not provide answers to proposed questions, technical data, HMI screenshots, functionality, desired features, and work plan) - 0 Points		10
<u>Time to implement the system.</u> 1. Excellent (Proposer time to implement the system is less than 180 days (6 months)) - 10 Points 2. Good (Proposer time to implement the system greater than 180 days but less than 240 days). 3. Inadequate Good (Proposer time to implement the system greater than 240 days.) - 0 Points		10
TOTAL POINTS		93/100

Part I (Continued)

Technical Evaluation Criteria

Reviewer Comments:

1. Dexter Fortson Associates, Inc., home office is in Birmingham, Alabama.
2. Has over thirty years' experience as an original equipment manufacturer and turn-key Telemetry/SCADA system installer and a System Integrator and UL508A certified panel builder.
3. Multiple ongoing maintenance packages available to provide continuing support.
4. Did not included field maintenance in the cost proposal for years two and three after SCADA system acceptance, as requested in RFP. DFA stated after one-year warranty period, their experience has been that there are no real field maintenance issues within a three (3) year timeframe except the renewal of license fees such as Win-911 alarming at the System Control Computer.
5. Proposed FCC licensed radio system for SCADA communications.
6. Currently have 341 active SCADA systems of which 74 are in Mississippi.
7. Maintenance parts would need to be stocked by Utility. DFA offered to maintenance training.
8. Proposed system can be utilized in the future to include lift stations.
9. Proposed control implementation methodology demonstrated an understanding of the existing City of Starkville water system.
10. Proposed project plan is a multistage installation plan which includes parallel operation of the proposed SCADA system with the existing system, thus proposed system would be fully installed and placed in operation to allow testing, and training before placing system in control operation.
11. Relevant experience, North Mississippi presence:
 - Amory Utilities
 - Columbus Light & Water Department
 - East Lowndes Water Association
 - Golden Triangle Industrial Park
 - Golden Triangle Water Association
 - Quincy Water Association
 - Sessums Water Association
 - Sparta Water Association
 - The PUL Alliance
 - Tupelo Water & Light Department
 - Hamilton Water District
 - Hatley Water District
 - Town of Jumpertown, Boonville
 - Sun Creek Water Association
 - City of Verona
12. Project Team & Plan: Excellent.

Part II

Commercial Evaluation

Reasonableness of price, including: packaged software license cost, cost of required software program development, cost of hardware components, unit labor cost, training cost, service cost during the maintenance period, additional proposed cost.

Reviewer Comments:

The proposer provided two (2) cost proposals. One proposal utilized Allen Bradley's PLCs at a cost of \$350,601.00. The second proposal utilizing Automation Direct PLC's at a proposed cost of \$299,655.00. The proposed project budget of \$300,000.00 puts the use of the Allen Bradley's PLC's system out of project budget. The proposed cost of utilizing Automation Direct PLCs puts the project cost in budget. Utilizing Automation Direct PLCs, the proposed system had 15-year total cost of ownership of \$311,173.00. The proposed cost included training; one (1) year of service; software license and maintenance; replacing pressure transducers at the elevated tank sites; standalone remote terminal units to provide the system with redundancy; FCC licensed radio system; software; and two (2) system monitoring computers. Performance and payment bonds, mobilization and Insurance cost are also included.

Contract Terms:

In response to the City of Starkville's proposal request for DFA's contract terms to provide and install a Water SCADA System, DFA shall provide the project work per the specifications and requirements as defined by the project engineer and owner making only approved exceptions along the way. The proposal presented shall remain valid for a period of not less than ninety (90) days from December 4, 2017.

DFA does not intend to hire a subcontractor but may do so to help expedite the trade install work.

All professional labor such as FCC licensing, programming, integration, and installation supervision of the project work shall be done by DFA managerial staff.

The "Clarifications and Terms of Sale" that DFA usually requests for a project are as follows. However, in this listing, negotiation is common on any and all points.

1. DFA carries a substantially large insurance package due to the DFA's work in the energy and mining markets, which is usually much larger than is contractually required in water/wastewater markets. Therefore, DFA requests that indemnification be limited to the DFA insurance package coverage. For clarification, see DFA's attached Certificate of Insurance.

Part II

Contract Terms (Continued)

2. Unless negotiated or established by contract, payment terms are net 30 days from date of invoice after which an account shall be considered delinquent. For all delinquent accounts, a finance charge of 1.5% per month shall be charged plus any and all collection costs including a reasonable attorney fee.
3. Delivery of materials is eight (8) to twelve (12) weeks after purchase order is received and final submittals are approved if required. If purchase order is contingent upon approval of submittals, no work shall begin until final submittals are approved.
4. DFA reserves the right to use any inactive conduit runs, should they prove suitable for reuse.
5. To attain antenna mounting heights required in DFA's radio path survey, DFA plans to mount antennas on the elevated tanks at Scales Street and Azalea Lane. The antenna installations shall be OSHA compliant.
6. For this SCADA installation, the Owner has requested that existing equipment be reused at the site. If site equipment, instruments or materials are not functioning or useable, at the time of Water SCADA System installation, DFA shall report condition to Owner. DFA bears no responsibility to replace existing equipment, instruments or materials at each site not in this RFP #17-1 proposal specifications. At Owner's request, DFA may replace any needed item as a project change order at current DFA rate sheet rates for labor and materials.
7. This price proposal excludes all 1/4" NPT pressure taps for DFA provided pressure transducers. Others/Owner shall provide pressure taps. DFA shall be consulted as to the location of these taps.
8. This price proposal excludes 120 VAC power for all sites. Others shall provide power at the site for the SCADA equipment installed within this project.
9. DFA price proposal excludes excavation of any rock. Removal of rock will be at additional cost.
10. Others shall provide detailed specifications or manufacturers' literature on new and existing equipment to DFA as necessary for DFA to interface (i.e. valve controller, flow metering, etc.).
11. For interfacing to existing PLCs, the data register addressing information must be provided to DFA.
12. The Generator Supplier should make the SCADA signals available to the SCADA unit from the Generator.

Part II
Contract Terms (Continued)

13. Others shall be responsible for those items of equipment incorporated into the system but not furnished by DFA (contacts on motor starters, alternators, flow meters equipped with dedicated SCADA outputs, phase loss monitors and other instrumentation).
14. The Water SCADA System provided and installed by DFA shall be covered by DFA's one-year warranty which includes free 24-7-365 remote telephone support during the warranty period.

Part III
Summary

Points

Reviewer Comment: Of the three (3) proposals evaluated, Dexter Fortson SCADA's proposal was scored second. Starkville Utilities' personnel conducted a site visit with Columbus Light and Water. The proposed system does not allow future expandability to include video monitoring of water treatment plants, and well sites, which was not a requirement of the RFP. The proposed SCADA system provides a system that is expandable in the future to provide monitoring and control of the City of Starkville's wastewater lift stations.

TOTAL POINTS

93/100

Request for Proposal (RFP) – Controls Systems, Inc.

Selection Criteria & Evaluation Rubric

The following criteria will be used by reviewers to evaluate the RFP as a whole. Proposals will be reviewed to ensure they contain all required components. A Proposal that receives a score of 0 on any Part will not be considered.

Part I Technical Evaluation Criteria	<u>Points</u>
<u>Demonstrated understanding of the City of Starkville requirements and needs.</u> 1. Excellent (Proposed SCADA System and Services demonstrates understanding of the City of Starkville requirements and needs.) – 10 Points 2. Good (Proposed SCADA System and Services demonstrates a general understanding of the City of Starkville requirements and needs) 3. Inadequate (Proposed SCADA System does demonstrate understanding of the City of Starkville requirements and needs) – 0 Points	8
<u>Proposed solution, including: software and hardware components, ease of maintenance, and completeness of solution.</u> 1. Excellent (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides the desired features, functionality, and Performance) – 20 Points 2. Good (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides nearly all of the desired features, functionality, and Performance) 3. Inadequate (Proposed solution, including software and hardware components, ease of maintenance, and completeness of the solution provides does not provide the desired features, functionality, and Performance) – 0 Points	18

Part I (Continued) Technical Evaluation Criteria	<u>Points</u>
<u>PROPOSER'S Team Experience and Overall Qualifications, including: Northeast Mississippi area presence, implementation methodology and experience of implementing similar systems, training and support capabilities and references.</u> 1. Excellent (Proposer's Team Experience and Overall Qualifications, including: Northeast Mississippi Area Presence (Similar SCADA Systems installed in "Northeast Mississippi", implementation, methodology and experience of implementing similar systems, training and support capabilities and references). – 15 Points 2. Good (Proposer's Team Experience and Overall Qualifications, does not have a Northeast Mississippi Area Presence, Good implementation, methodology and experience of implementing similar systems, training and support capabilities and references). 3. Inadequate (Proposer's Team Experience and Overall Qualifications, Northeast Mississippi Area Presence (No Similar SCADA Systems installed in Northeast Mississippi), (Poor, implementation, methodology and experience of implementing similar systems, training and support capabilities and references). -0 Points	14
<u>Proposed services and quality of overall work plan</u> 1. Excellent (Proposed Services and quality of work plan to install proposed system met the requirements of the proposal, which includes keeping the existing SCADA system operating until proposed SCADA System has been completely tested and ready of use) -15 Points 2. Good (Proposed Services and quality of work plan to install proposed system meets the intention of the proposal, work plan is general and not complete, but does give an outline of the proposed work 3. Inadequate (Proposed Services and quality of work plan does not meet the intention of the proposal). – 0 Points	10

Part I (Continued) Technical Evaluation Criteria		Points
<u>Experience, qualifications, and capability of staff proposed to assist City of Starkville, with particular attention to the key developers/contract and project manager.</u> 1. Excellent (Proposer has excellent experience, qualifications, and capability of staff to assist City of Starkville) - 20 Points 2. Good (Proposer has good experience, qualifications, and capability of staff to assist City of Starkville) 3. Inadequate Proposer has limited experience, qualifications, and limited capability of staff to assist City of Starkville) - 0 Points		20
<u>Completeness of response.</u> 1. Excellent (Proposer provided a complete response to RFP, which included answers to proposed questions, technical data, proposed HMI screenshots, functionality, and desired features, work plan) - 10 Points 2. Good (Proposer provided a partial response to RFP, which included answers to proposed questions, partial description of technical data, HMI screenshots, functionality, and desired features, and work plan.) 3. Inadequate (Proposer did not provide answers to proposed questions, technical data, HMI screenshots, functionality, desired features, and work plan) - 0 Points		8
<u>Time to implement the system.</u> 1. Excellent (Proposer time to implement the system is less than 180 days (6 months)) - 10 Points 2. Good (Proposer time to implement the system greater than 180 days but less than 240 days). 3. Inadequate Good (Proposer time to implement the system greater than 240 days.) - 0 Points		8
TOTAL POINTS		86/100

Part I (Continued)
Technical Evaluation Criteria

Reviewer Comments:

1. Control Systems, Inc. is headquartered in Jackson, Mississippi, and has employees that reside throughout the State of Mississippi to provide support.
2. Has over twenty (20) years of experience in Supervisory Control and Data Acquisition (SCADA) systems and over forty (40) years of experience in industrial controls.
3. Control Systems has a UL508 shop.
4. Maintenance packages available to provide continuing support (negotiable).
5. Did not included field maintenance in the cost proposal for years two and three after SCADA system acceptance, as requested in RFP.
6. Proposed cellular based system for SCADA communications.
7. Completed 100 SCADA projects in the last three (3) years.
8. Proposed system can be utilized in the future to include lift stations.
9. Proposed control implementation methodology demonstrated an understanding of the existing City of Starkville water system.
10. Proposed project plan is a multistage installation plan which did not include parallel operation of the proposed SCADA system with the existing. Proposed plan included removal of existing remote terminal units and reusing existing remote terminal unit enclosures.
11. Relevant experience, North Mississippi presence:
 - City of Starkville (Starkville Utilities)
 - City of Oxford
 - Adaton Water Association
 - City of West Point
 - Harrison County Utility Authority
 - City of Meridian
 - City of Hattiesburg
 - City of Richland
 - City of Atmore
12. Project Team: Excellent.

Part II Commercial Evaluation
Reasonableness of price, including: packaged software license cost, cost of required software program development, cost of hardware components, unit labor cost, training cost, service cost during the maintenance period, additional proposed cost.
Reviewer Comments: Control Systems proposed SCADA system first cost is \$180,000.00. The proposed system 15-year total cost of ownership is \$324,599.97. The proposed cost included training; one (1) year of service; and software license and maintenance; ongoing annual software and maintenance cost of \$6,600.00 per year; replacing pressure transducers at the elevated tank sites; standalone remote terminal units to provide the system with redundancy; cellular radio system; software; and two (2) system monitoring computers. Performance and payment bonds cost included. No Cost required for Mobilization and Insurance. The above first cost included removal of existing remote terminal unit equipment and re-using existing enclosures. The other vendors provided new enclosures with the proposed equipment, per RFP requirements.
Contract Terms: Control Systems, Inc. agrees to abide by the minimum standard contract requirement of the City of Starkville as presented in Section 7 of RFP.

Part III Summary	<u>Points</u>
Reviewer Comment: Of the three (3) proposals evaluated, Control Systems Proposal scored third. The proposed system is expandable in the future to provide monitoring and control of the City of Starkville wastewater lift stations. The proposal did not provide a clear transition plan between the installation on the proposed SCADA system and the existing SCADA system as required in the RFP. The RFP clearly stated the following: <i>"It is required that all pumping and water treatment facilities included within the scope of this project remain fully operational during the work, with minimal transition time between the existing and new control systems. The project management plan should reflect this requirement and clearly describe the transition plan."</i>	
TOTAL POINTS	86/100

Starkville Utilities Water SCADA System Upgrade and Services
15 Year Total Cost of Ownership



Description	Quantity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total
Schedule A - Software and Hardware Cost Schedule Curry Street and Bluefield Water Treatment Plant																	
SCADA Application Software (HMI) "HawkEye"	LS	\$ 6,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000.00
SCADA Analytical Reporting Software "Hawk Server Package"	LS	\$ 16,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,000.00
Computer Hardware and Peripherals -"Dell Server"	LS	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
Other Software			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5.8 GHZ Radio Infrastructure	LS	\$ 42,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,500.00
Schedule A Subtotal																	\$ 67,500.00
Schedule C - Services Cost Schedule																	
Project Management		Provider included cost for these items in Schedules D thru U.															
System Analysis and Design		Provider included cost for these items in Schedules D thru U.															
Installation and Configuration		Provider included cost for these items in Schedules D thru U.															
Customization		Provider included cost for these items in Schedules D thru U.															
Testing		Provider included cost for these items in Schedules D thru U.															
Training and Documentation		Provider included cost for these items in Schedules D thru U.															
Maintenance and Support	LS	Provider included with system.															\$
Other																	
Web Based Monitoring Fee (\$35/Month for first 10, \$1.50 additional)	30				\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 780.00	\$ 9,360.00
HawkEye Lite Fees \$10/month per copy	10				\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 1,200.00	\$ 14,400.00
Schedule C Subtotal																	\$ 23,760.00
Schedule D - Curry Street Water Treatment Plant																	
Curry Remote Terminal Unit (FRTU)	LS	\$ 4,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00
Parksdale Remote Terminal Unit (FRTU)	LS	\$ 4,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00
Water Treatment Plant Central Telemetry Unit	LS	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
Schedule D Subtotal																	\$ 19,000.00
Schedule E - Curry Elevated Tank																	
Not Cost Associated with Elevated Tank																	
Schedule E Subtotal																	\$ -
Schedule F - Curry Street Well																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule F Subtotal																	\$ 9,000.00
Schedule G - Henderson Street Well																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule G Subtotal																	\$ 9,000.00
Schedule H - Parksdale Well																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule H Subtotal																	\$ 9,000.00
Schedule I - Scales Street Elevated Tank																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule I Subtotal																	\$ 9,000.00
Schedule K - Academy and Montgomery Water Treatment Plant																	
Academy Remote Terminal Unit, Materials and Labor	LS	\$ 4,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00
Montgomery Remote Terminal Unit, Materials and Labor	LS	\$ 4,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00
Schedule K Subtotal																	\$ 9,000.00
Schedule L - Montgomery Well																	
Montgomery Well Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule L Subtotal																	\$ 9,000.00
Schedule M - Academy Well																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule M Subtotal																	\$ 9,000.00
Schedule N - Locksley Way Elevated Tank																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule N Subtotal																	\$ 9,000.00
Schedule O - Azalea Lane Elevated Tank																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule O Subtotal																	\$ 9,000.00
Schedule P - Bluefield Elevated Tank																	
Not Cost Associated with Elevated Tank		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedule P Subtotal																	\$ -
Schedule Q - Bluefield Water Treatment Plant																	
Bluefield Well No. 7 Remote Terminal Unit, Materials and Labor	LS	\$ 4,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00
Bluefield Well No. 8 Remote Terminal Unit, Materials and Labor	LS	\$ 4,500.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500.00
Water Treatment Plant Central Telemetry Unit, Materials and Labor	LS	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
Schedule Q Subtotal																	\$ 19,000.00
Schedule R - Bluefield Well No. 1																	
Not Cost Associated with Elevated Tank		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedule R Subtotal																	\$ -
Schedule S - Bluefield Well No. 2																	
Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule S Subtotal																	\$ 9,000.00
Schedule T - Bluefield Booster Station No. 1																	
Not Cost Associated with Elevated Tank		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Schedule T Subtotal																	\$ -
Schedule U - Bluefield Booster Station No. 2																	
Bluefield Booster Station No. 2 Remote Terminal Unit, Materials and Labor	LS	\$ 9,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000.00
Schedule U Subtotal																	\$ 9,000.00
Schedule V - Bonds and Insurance Cost																	
Performance and Payment Bonds	LS	\$ 3,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
Mobilization	LS	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000.00
Insurance	LS	\$ 1,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000.00
Schedule U Subtotal																	\$ 6,000.00
Additional Items Not Listed Above																	
Existing Pressure Transducer Replacement	LS	\$ 6,250.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,250.00
Smart Remote Terminal Unit Upgrade	LS	\$ 7,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000.00
Additional Items Subtotal																	\$ 13,250.00
First Costs		\$ 223,750.00	15 Year Subtotal														\$ 247,510.00

Description	Quantity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total		
Schedule A -Software and Hardware Cost Schedule Curry Street Water Treatment Plant																			
SCADA Application Software (HMI)	1	\$ 4,802.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,802.00		
SCADA Analytical Reporting Software			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Computer Hardware and Peripherals	1	\$ 4,566.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,566.00		
Other Software	1	\$ 14,965.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,965.00		
Annual Software Maintenance	1		\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 6,202.00		
Schedule A Subtotal																	\$ 30,535.00		
Schedule B -Software and Hardware Cost Schedule Bluefield Water Treatment Plant																			
SCADA Application Software (HMI)																			
SCADA Analytical Reporting Software																			
Computer Hardware and Peripherals	1	\$ 3,578.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,578.00		
Other Software	1	\$ 14,965.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,965.00		
Annual Software Maintenance	1		\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 443.00	\$ 6,202.00		
Schedule B Subtotal																	\$ 24,745.00		
Schedule C - Services Cost Schedule																			
Project Management	1	\$ 5,590.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,590.00		
System Analysis and Design	1	\$ 1,560.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,560.00		
Installation and Configuration																			
Customization																			
Testing	1	\$ 3,610.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,610.00		
Training and Documentation	1	\$ 9,600.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,600.00		
Maintenance and Support																			
Other																			
Schedule C Subtotal																	\$ 20,360.00		
Schedule D - Curry Street Water Treatment Plant																			
Remote Terminal Unit, Materials and Labor	LS	\$ 24,934.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,934.00		
																	\$ 24,934.00		
Schedule E & F - Curry Elevated Tank & Well																			
Remote Terminal Unit, Materials and Labor	LS	\$ 19,067.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,067.00		
Schedule E & F Subtotal																	\$ 19,067.00		
Schedule G - Henderson Street Well																			
Remote Terminal Unit, Materials and Labor	LS	\$ 10,043.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,043.00		
Schedule G Subtotal																	\$ 10,043.00		
Schedule H - Parksdale Well																			
Remote Terminal Unit, Materials and Labor	LS	\$ 10,043.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,043.00		
Schedule H Subtotal																	\$ 10,043.00		
Schedule I - Scales Street Elevated Tank																			
Remote Terminal Unit, Materials and Labor	LS	\$ 13,292.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,292.00		
Schedule I Subtotal																	\$ 13,292.00		
Schedule K & L - Academy and Montgomery Water Treatment Plant																			
Remote Terminal Unit, Materials and Labor	LS	\$ 20,719.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,719.00		
Schedule K Subtotal																	\$ 20,719.00		
Schedule M - Academy Well																			
Remote Terminal Unit, Materials and Labor	LS	\$ 10,043.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,043.00		
Schedule M Subtotal																	\$ 10,043.00		
Schedule N - Locksley Way Elevated Tank																			
Locksley Way Elevated Tank Remote Terminal Unit	LS	\$ 12,404.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,404.00		
Schedule N Subtotal																	\$ 12,404.00		
Schedule O - Azalea Lane Elevated Tank																			
Azalea Lane Elevated Tank Remote Terminal Unit	LS	\$ 13,292.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,292.00		
Schedule O Subtotal																	\$ 13,292.00		
Schedule P, Q & R- Bluefield Elevated Tank & Water Treatment Plant																			
Remote Terminal Unit, Materials and Labor	LS	\$ 22,939.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,939.00		
Schedule P Subtotal																	\$ 22,939.00		
Schedule S - Bluefield Well No. 2																			
Remote Terminal Unit, Materials and Labor	LS	\$ 10,042.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,042.00		
Schedule S Subtotal																	\$ 10,042.00		
Schedule T - Bluefield Booster Station No. 1																			
Remote Terminal Unit, Materials and Labor	LS	\$ 25,667.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,667.00		
Schedule T Subtotal																	\$ 25,667.00		
Schedule U - Bluefield Booster Station No. 2																			
Remote Terminal Unit, Materials and Labor	LS	\$ 25,667.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,667.00		
Schedule U Subtotal																	\$ 25,667.00		
Schedule V - Bonds and Insurance Cost																			
Performance and Payment Bonds	LS	\$ 5,369.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,369.00		
Mobilization	LS	\$ 12,012.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,012.00		
Insurance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Schedule U Subtotal																	\$ 17,381.00		
First Costs		\$ 298,769.00															15 Year Subtotal		\$ 311,173.00

Starkville Utilities Water SCADA System Upgrade and Services
15 Year Total Cost of Ownership



Description	Quantity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Total	
Schedule A - Software and Hardware Cost Schedule Curry Street Water Treatment Plant																		
SCADA Application Software (HMI)	1	\$ 19,255.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,255.00	
SCADA Analytical Reporting Software		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Computer Hardware and Peripherals	1	\$ 2,660.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,660.00	
Other Software	1	\$ 700.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 700.00	
Other Software: Network Monitor	1	\$ 2,150.00															\$ 2,150.00	
Annual Maintenance	1		\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 46,200.00	
Schedule A Subtotal																	\$ 70,965.00	
Schedule B - Software and Hardware Cost Schedule Bluefield Water Treatment Plant																		
SCADA Application Software (HMI) "HawkEye"	1	\$ 19,255.00															\$ 19,255.00	
SCADA Analytical Reporting Software "Hawk Server Package"		\$ -															\$ -	
Computer Hardware and Peripherals "Dell Server"	1	\$ 2,660.00															\$ 2,660.00	
Other Software	1	\$ 700.00															\$ 700.00	
Other Software: Network Monitor	1	\$ 2,150.00															\$ 2,150.00	
Annual Maintenance	1		\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 3,300.00	\$ 46,200.00	
Schedule B Subtotal																	\$ 70,965.00	
Schedule C - Services Cost Schedule																		
Project Management	1S	\$ 24,000.00															\$ 24,000.00	
Field Investigation	1S	\$ 8,000.00															\$ 8,000.00	
System Design	1S	\$ 12,000.00															\$ 12,000.00	
Installation	1S	\$ 6,000.00															\$ 6,000.00	
Testing	1S	\$ 3,750.00															\$ 3,750.00	
Commissioning, Training	1S	\$ 5,000.00															\$ 5,000.00	
Documentation	1S	\$ 3,250.00															\$ 3,250.00	
Schedule C Subtotal																	\$ 62,000.00	
Schedule D - Curry Street Water Treatment Plant																		
Remote Terminal Unit, Materials and Labor	1S	\$ 10,596.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,596.93	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule D Subtotal																	\$ 14,076.93	
Schedule E - Curry Elevated Tank																		
Elevated Tank Pressure Transmitter	1	\$ 970.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 970.00	
Schedule E Subtotal																	\$ 970.00	
Schedule F - Curry Street Well																		
Remote Terminal Unit, Materials and Labor	1S	\$ 2,223.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,223.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule F Subtotal																	\$ 5,703.75	
Schedule G - Henderson Street Well																		
Remote Terminal Unit, Materials and Labor	1S	\$ 2,843.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule G Subtotal																	\$ 6,323.75	
Schedule H - Parkside Well																		
Remote Terminal Unit, Materials and Labor	1S	\$ 2,843.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule H Subtotal																	\$ 6,323.75	
Schedule I - Scales Street Elevated Tank																		
Remote Terminal Unit, Materials and Labor	1S	\$ 3,713.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,713.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule I Subtotal																	\$ 7,193.75	
Schedule K - Academy and Montgomery Water Treatment Plant																		
Remote Terminal Unit, Materials and Labor	1S	\$ 3,543.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,543.43	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule K Subtotal																	\$ 7,023.43	
Schedule L - Montgomery Well																		
Remote Terminal Unit, Materials and Labor	1S	\$ 2,268.18	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,268.18	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule L Subtotal																	\$ 5,748.18	
Schedule M - Academy Well																		
Remote Terminal Unit, Materials and Labor	1S	\$ 2,843.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule M Subtotal																	\$ 6,323.75	
Schedule N - Locksley Way Elevated Tank																		
Remote Terminal Unit, Materials and Labor	1S	\$ 3,713.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,713.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule N Subtotal																	\$ 7,193.75	
Schedule O - Azalea Lane Elevated Tank																		
Remote Terminal Unit, Materials and Labor	1S	\$ 3,414.50	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,414.50	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule O Subtotal																	\$ 6,894.50	
Schedule P - Bluefield Elevated Tank																		
Elevated Tank Pressure Transmitter	1	\$ 970.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 970.00	
Schedule P Subtotal																	\$ 970.00	
Schedule Q - Bluefield Water Treatment Plant																		
Remote Terminal Unit, Materials and Labor	1S	\$ 11,241.43	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,241.43	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule Q Subtotal																	\$ 14,721.43	
Schedule R - Bluefield Well No. 1																		
Remote Terminal Unit, Materials and Labor	1S	\$ 2,843.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule R Subtotal																	\$ 6,323.75	
Schedule S - Bluefield Well No. 2																		
Remote Terminal Unit, Materials and Labor	1S	\$ 2,843.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,843.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule S Subtotal																	\$ 6,323.75	
Schedule T - Bluefield Booster Station No. 1																		
Remote Terminal Unit, Materials and Labor	1S	\$ 3,797.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,797.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule T Subtotal																	\$ 7,277.75	
Schedule U - Bluefield Booster Station No. 2																		
Remote Terminal Unit, Materials and Labor	1S	\$ 3,797.75	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,797.75	
Estimated \$20.00 per month of Cellular Data Cost for 250 MB per site.	1S	\$ 120.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00	\$ 3,480.00	
Schedule U Subtotal																	\$ 7,277.75	
Schedule V - Bonds and Insurance Cost																		
Performance and Payment Bonds		\$ 4,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,000.00	
Mobilization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Insurance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Schedule U Subtotal																	\$ 4,000.00	
First Costs		\$ 179,999.97	15 Year Subtotal															\$ 324,599.97

ANNOUNCEMENTS AND COMMENTS:

MAYOR'S COMMENTS:

Mayor Spruill made the following new employee introductions:

Fire Department: Demorris Ewing, Garret Heaton and Elliot Johnson; Municipal Court: Alicia Ann Hu

Mayor Spruill welcomed everyone to the meeting and invited the public to attend the remaining State of the Park Meetings. She noted there are survey forms on line as well as available at the Sports Plex.

BOARD OF ALDERMEN COMMENTS: None

CITIZEN COMMENTS:

Alvin Turner, Ward 7, noted that Boardtown Village at North Montgomery has standing water. He also asked that a place be found for homeless persons.

Anne Burchfield and Annie Salt inquired about Roundhouse Road sewer issues and asked that a solution be found. Terry Kemp met during the meeting with them to discuss options.

Speaking in favor of the PRIDE special event permit: Dr. Patty Lathan, W6; Emily Turner, W3; Alexandra Hindon, W1; Rosa Delumba, W6; Melanie Walsh, W2; Samantha Colvard, W1; Dr. Rachel Allison, W5; Ra'Sheda Forbes, W2; Illene Carter Tabb; Chris Taylor, NAACP President; Meagan O'Nan, W5; Christine Williams, W1; Kevin Williams, W1; and one lady who did not identify herself.

Speaking against the PRIDE special event permit: Pastor Thomas Rogers and Ms Dorothy Issac.

PUBLIC APPEARANCES:

JEREMIAH DUMAS PRESENTING A SMART BUS SYSTEM UPDATE WITH A PUBLIC HEARING.

Director Jeremiah Dumas and Associate Director Ronnie White gave a brief overview of the Starkville – MSU Area Rapid Transit (SMART) public transportation system.

Funding is provided from the Federal Transit Authority 5311 Rural Mass Transit Funds via the MS Department of Transportation. Local cash match is provided by MSU parking services and the City of Starkville provides in-kind services in the form of city shelter construction, electrical and maintenance.

They noted there were 681,000 total riders in 2017. The goals for 2018 are to modify some of the routes, decreasing turns, increase customer service with additional shelters and benches, maintenance of the current buses and to obtain new buses. The full presentation is located on the City of Starkville website in the February 20, 2018 packet. They also encouraged anyone with questions or comments to call their office.

Mayor Spruill thanked Mr. Dumas and Mr. White and their staff for all they do for the citizens. She then opened the Public Hearing and called for public comments.

Alvin Turner, frequent SMART bus passenger, offered positive comments as to the convenience of the bus service. He noted he would like to see all buses with GPS so they can be traced and noted they were always kept clean. He also listed all the times and days of the routes.

Ms Dorothy Issac thanked Mr. Dumas but noted she would like to see more paratransit vehicles. She also noted the nearest bus route to her home was several blocks away.

Ms Beverly Hammond complimented the drivers on their treatment of persons using service dogs. As an ADA rider, she stressed that the buses allow those with handicaps to maintain their freedom and dignity. She did note that some of the buses are starting to show age and new buses would be good.

There being no further comments from the public, the Mayor announced the public hearing closed.

The Board of Aldermen also expressed their gratitude for the program and its value to the citizens.

FISCAL YEAR 9/30/17 AUDIT PRESENTATION BY RANDY SCRIVNER OF WATKINS, WARD AND STAFFORD, PLLC.

Randy Scrivner, CPA with Watkins, Ward and Stafford, PLLC, presented the Fiscal Year 2017 audit. He thanked the City finance and administration office as well as other officials for their assistance in being able to present a completed audit this early in the year with a clean opinion. He noted several items in the audit, such as GASB 68 pension liability, propriety funds, cash balances and fund balances. He noted the improvement over the past several years. He stated he had been made aware of some internal control issues and he is working on policy updates with the City Clerk and Alderman Sistrunk.

Alderman Sistrunk thanked the audit team and city staff for the timeliness of the audit.

PUBLIC HEARINGS: None

34. CONSIDERATION OF ACCEPTANCE OF THE STARKVILLE POLICE STATION AND RELEASE AND PAYMENT OF THE FINAL RETAINAGE TO WEATHERS CONSTRUCTION AND SHAFER & ASSOCIATES, PLLC.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, to approve the final payments to Weathers Construction and Shafer & Associates, PLLC. The Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea

Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

35. CONSIDERATION TO ACCEPT THE FISCAL YEAR 9-30-17 AUDIT.

Alderman Little, duly seconded by Alderman Miller, offered a motion to accept the Fiscal Year 9-30-17 audit. The Board voted as follows:

Alderman Ben Carver Voted: Yea
Alderman Sandra Sistrunk Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Yea
Alderman Patrick Miller Voted: Yea
Alderman Roy A'. Perkins Voted: Yea
Alderman Henry Vaughn, Sr. Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

36. CONSIDERATION OF A RESOLUTION DIRECTING THE ISSUANCE OF THE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2018, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000).

Alderman Sistrunk introduced Nick Schorr and Lynn Norris of Government Consultants who presented the Resolution and answered questions from the Board. Alderman Little offered a motion to approve a resolution directing the issuance of the General Obligation Public Improvement Bond, Series 2018 (the "qualified obligation"), of the City of Starkville, Mississippi, in the maximum principal amount of seven million five hundred thousand dollars (\$7,500,000), in one or more series, to raise money for the purpose of establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; protecting the municipality, its streets and sidewalks from overflow, caving banks and other like dangers; planning, constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor, and/or purchasing street traffic control devices and signalization; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect or guide the current thereof; prescribing the form and incidents of the qualified obligation; approving the form and execution of a qualified obligation purchase agreement for the sale of the qualified obligation to the bank and a bank bonds purchase agreement for the sale of the maximum principal amount of seven million five hundred thousand dollars (\$7,500,000) Mississippi Development Bank Special Obligation Bonds, Series 2018 (Starkville, Mississippi, general obligation public improvement project) (the "bank bonds") to the underwriter; approving and authorizing the form of and the execution and distribution of a preliminary official statement and official statement pertaining to the bank bonds; approving the form of the indenture of trust for the bank bonds; authorizing bond insurance and ratings and authorizing covenants with respect thereto; paying the related costs of the authorization, issuance, sale, validation, and delivery of the qualified obligation and the bank bonds; and for related purposes.

Alderman Sistrunk seconded the motion and the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

RESOLUTION DIRECTING THE ISSUANCE OF THE GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2018 (THE "QUALIFIED OBLIGATION"), OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000), IN ONE OR MORE SERIES, TO RAISE MONEY FOR THE PURPOSE OF ESTABLISHING SANITARY, STORM, DRAINAGE OR SEWERAGE SYSTEMS, AND REPAIRING, IMPROVING AND EXTENDING THE SAME; PROTECTING THE MUNICIPALITY, ITS STREETS AND SIDEWALKS FROM OVERFLOW, CAVING BANKS AND OTHER LIKE DANGERS; PLANNING, CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR, AND/OR PURCHASING STREET TRAFFIC CONTROL DEVICES AND SIGNALIZATION; CONSTRUCTING BRIDGES AND CULVERTS; ALTERING OR CHANGING THE CHANNELS OF STREAMS AND WATER COURSES TO CONTROL, DEFLECT OR GUIDE THE CURRENT THEREOF; PRESCRIBING THE FORM AND INCIDENTS OF THE QUALIFIED OBLIGATION; APPROVING THE FORM AND EXECUTION OF A QUALIFIED OBLIGATION PURCHASE AGREEMENT FOR THE SALE OF THE QUALIFIED OBLIGATION TO THE BANK AND A BANK BONDS PURCHASE AGREEMENT FOR THE SALE OF THE MAXIMUM PRINCIPAL AMOUNT OF SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000) MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2018 (STARKVILLE, MISSISSIPPI, GENERAL OBLIGATION PUBLIC IMPROVEMENT PROJECT) (THE "BANK BONDS") TO THE UNDERWRITER; APPROVING AND AUTHORIZING THE FORM OF AND THE EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT PERTAINING TO THE BANK BONDS; APPROVING THE FORM OF THE INDENTURE OF TRUST FOR THE BANK BONDS; AUTHORIZING BOND INSURANCE AND RATINGS AND AUTHORIZING COVENANTS WITH RESPECT THERETO; PAYING THE RELATED COSTS OF THE AUTHORIZATION, ISSUANCE, SALE, VALIDATION, AND DELIVERY OF THE QUALIFIED OBLIGATION AND THE BANK BONDS; AND FOR RELATED PURPOSES.

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

1. In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless the context or use otherwise requires. Words of the masculine gender should be deemed and constructed to include correlative words of the female and neuter gender. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Indenture.

"Act" means together the Bank Act and the Municipal Improvements Act.

"Authorized Purpose" means establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; protecting the municipality, its streets and sidewalks from overflow, caving banks and other like dangers; planning, constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor, and/or purchasing street traffic control devices and signalization; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect or guide the current thereof.

"Bank" means the Mississippi Development Bank, a body corporate and politic exercising essential public functions, or any successor to its functions.

"Bank Act" means the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended.

"Bank Bonds" means the Mississippi Development Bank Special Obligation Bonds, Series 2018 (Starkville, Mississippi, General Obligation Public Improvement Project) issued pursuant to the Indenture.

"Bank Bonds Purchase Agreement" means the bond purchase agreement among the Bank, the Municipality, and the Underwriter, in connection with the sale and issuance of the Bank Bonds.

"Bond Counsel" means an attorney or firm of attorneys approved by the Municipality and the Bank which are nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law. Jones Walker LLP, Jackson, Mississippi, is serving as Bond Counsel in connection with the authorization, issuance, sale, validation, and delivery of the Qualified Obligation and the Bank Bonds.

"Bond Insurer" means the Bond Insurer (if any) as defined in Section 24 hereof, or any successor thereto or assignee thereof.

"Bond Register" means the books for the registration and transfer of the Qualified Obligation kept by the Trustee in its capacity as registrar and transfer agent of the Qualified Obligation.

"Clerk" means the City Clerk of the Municipality.

"Code" means the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations promulgated thereunder.

"General Account" means the account by that name created by Section 6.02 of the Indenture.

"General Fund" means the fund by that name created by Section 6.02 of the Indenture.

“Governing Body” means the Mayor and Board of Aldermen of the Municipality.

"Governmental Obligations" means to the extent permitted by State law: (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to: Department of Housing and Urban Development, Export-Import Bank, Farmers Home Administration (or successor thereto), Federal Financing Bank, Federal Housing Administration, Maritime Administration, Small Business Administration, which obligations include but are not limited to certificates or receipts representing direct ownership of future interest or principal payments on obligations described in clause (a) or in this clause (b) and which are held by a custodian in safekeeping on behalf of the holders of such receipts; and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by law.

"Indenture" means the Indenture of Trust between the Bank and the Trustee pursuant to which the Bank Bonds are issued, and all supplements and amendments thereto.

"Interest Payment Date" means each date, annual or semiannual, for the payment of interest due on the Qualified Obligation, as further defined in the Indenture.

“Mayor” means the Mayor of the Municipality.

"Municipality" means the City of Starkville, Mississippi, a "local governmental unit" under the Bank Act.

“Municipal Improvements Act” means the provisions of Section 21-33-301 *et seq.*, Mississippi Code of 1972, as amended.

"Municipality Resolution" means this resolution adopted by the Governing Body on February 6, 2018, in connection with the issuance of the Qualified Obligation.

"Paying Agent" means Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, a banking association or corporation organized and existing under the laws of the State, or any successor thereto, acting as the Paying Agent under the Municipality Resolution.

"Project" means providing funds (a) to finance the costs of the Authorized Purpose and (b) for related purposes, including, without limitation, paying the costs of issuance for the Qualified Obligation and the Bank Bonds.

"Qualified Obligation" means the General Obligation Public Improvement Bond, Series 2018, issued by the Municipality pursuant to the Municipality Resolution and registered to the Trustee as assignee of the Bank pursuant to the Indenture.

"Qualified Obligation Purchase Agreement" means the purchase agreement to be executed by and between the Municipality and the Bank, in connection with the sale and issuance of the Qualified Obligation.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date.

"Redemption Price" means, with respect to any Bank Bond, the principal amount thereof, plus the applicable premium, if any, and accrued but unpaid interest payable upon redemption of such Bank Bond prior to maturity.

"Registered Owner" means the person or persons in whose name the Qualified Obligation shall be registered on the Bond Register.

"State" means the State of Mississippi.

"Trustee" means Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, a state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under the Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bank Bonds issued and secured under the terms of the Indenture.

"Underwriter" means Raymond James & Associates, Inc., Memphis, Tennessee.

2. On November 7, 2017, the Governing Body adopted a resolution entitled "A RESOLUTION DECLARING THE INTENTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI, TO ISSUE GENERAL OBLIGATION PUBLIC IMPROVEMENT BONDS OF THE MUNICIPALITY, ISSUE A GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND OF THE MUNICIPALITY FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK, OR ENTER INTO A LOAN AGREEMENT WITH THE MISSISSIPPI DEVELOPMENT BANK, ALL IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000), IN ONE OR MORE SERIES, TO RAISE MONEY FOR THE PURPOSE OF ESTABLISHING SANITARY, STORM, DRAINAGE OR SEWERAGE SYSTEMS, AND REPAIRING, IMPROVING AND EXTENDING THE SAME; PROTECTING THE MUNICIPALITY, ITS STREETS AND SIDEWALKS FROM OVERFLOW, CAVING BANKS AND OTHER LIKE DANGERS; PLANNING, CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR, AND/OR PURCHASING STREET TRAFFIC CONTROL DEVICES AND SIGNALIZATION; CONSTRUCTING BRIDGES AND CULVERTS; ALTERING OR CHANGING THE CHANNELS OF STREAMS AND WATER COURSES TO CONTROL, DEFLECT OR GUIDE THE CURRENT THEREOF; DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION; AND RELATED PURPOSES" (the "Resolution of Intent").

3. As required by law and as directed by the Resolution of Intent, the Resolution of Intent was published once a week for at least three (3) consecutive weeks in the *Starkville Daily News*, a newspaper published in and having a general circulation in the Municipality, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended,, the

first publication having been made not less than twenty-one (21) days prior to December 5, 2017, and the last publication having been made not more than seven (7) days prior to such date, said notice having been published in said newspaper on November 15, 2017, November 22, 2017, and November 29, 2017, as evidenced by the publisher's affidavit on file in the office of the Clerk.

4. On or prior to December 5, 2017, at 5:30 pm, the date and hour set for the receipt of protests, no written protest or other objection of any kind or character against the issuance of the debt obligations described in the Resolution of Intent were filed or presented by qualified electors of the Municipality.

5. Pursuant to that certain resolution adopted by the Governing Body on December 5, 2017, entitled "RESOLUTION AUTHORIZING THE ISSUANCE BY THE CITY OF STARKVILLE, MISSISSIPPI, OF GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND OF THE MUNICIPALITY OR A GENERAL OBLIGATION BOND OF THE MUNICIPALITY FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK, OR AUTHORIZING ENTERING INTO A LOAN AGREEMENT WITH AND OBTAINING A LOAN FROM THE MISSISSIPPI DEVELOPMENT BANK, ALL IN THE MAXIMUM PRINCIPAL AMOUNT OF SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$7,500,000), IN ONE OR MORE SERIES, TO RAISE MONEY FOR THE PURPOSE OF ESTABLISHING SANITARY, STORM, DRAINAGE OR SEWERAGE SYSTEMS, AND REPAIRING, IMPROVING AND EXTENDING THE SAME; PROTECTING THE MUNICIPALITY, ITS STREETS AND SIDEWALKS FROM OVERFLOW, CAVING BANKS AND OTHER LIKE DANGERS; PLANNING, CONSTRUCTING, IMPROVING OR PAVING STREETS, SIDEWALKS, DRIVEWAYS, PARKWAYS, WALKWAYS OR PUBLIC PARKING FACILITIES, AND PURCHASING LAND THEREFOR, AND/OR PURCHASING STREET TRAFFIC CONTROL DEVICES AND SIGNALIZATION; CONSTRUCTING BRIDGES AND CULVERTS; ALTERING OR CHANGING THE CHANNELS OF STREAMS AND WATER COURSES TO CONTROL, DEFLECT OR GUIDE THE CURRENT THEREOF; AND FOR RELATED PURPOSES," the Municipality was authorized and empowered by the provisions of the Municipal Improvements Act (as defined hereinafter) and the Bank Act (as defined hereinafter) to issue its General Obligation Public Improvement Bond, Series 2018 (the "Qualified Obligation"), without an election on the question of the issuance thereof, pursuant to further resolutions of the Governing Body.

6. The Municipality is now authorized to issue and sell the Qualified Obligation registered as to principal and interest in the form and in the manner hereinafter provided.

7. This resolution (the "Municipality Resolution") is hereby adopted by the Governing Body pursuant to the provisions of Section 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "Municipal Improvements Act") and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "Bank Act"), to direct the issuance and sale of the Qualified Obligation for the Project and in accordance with the procedures set forth herein.

8. The Bank is authorized pursuant to the Bank Act to issue its Bank Bonds for the purpose of purchasing the Qualified Obligation of the Municipality to finance the Project.

9. The Governing Body is now authorized to issue, in its discretion, and under the provisions of the Act, the Qualified Obligation in the maximum principal amount of Seven Million Five Hundred Thousand Dollars (\$7,500,000) in order to finance the Project. It is advisable and in the public interest to issue the Qualified Obligation for the Authorized Purpose registered as to principal and interest in the form and manner hereinafter provided for.

10. It has now become necessary to make provision for the preparation, execution, and issuance of the Qualified Obligation, which may be issued as hereinafter set forth.

11. The Governing Body desires to: (i) authorize the Municipality to issue and sell its Qualified Obligation to the Bank; (ii) authorize the Bank to negotiate the sale of the Bank Bonds to Raymond James & Associates, Inc., Memphis, Tennessee (the "Underwriter"); (iii) authorize the appointment of Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, a banking association organized and existing under the laws of the State of Mississippi, as trustee (the "Trustee") under the indenture of trust, to be dated the date of delivery thereof, between the Bank and the Trustee (the "Indenture") for the Bank Bonds, and also as Paying Agent for the Bank Bonds; and (iv) approve the payment of costs of authorization, issuance, sale, validation, and delivery of the Qualified Obligation and the Bank Bonds.

12. The Governing Body finds it necessary to approve the form of, execution of, and distribution of, as applicable: (i) the bond purchase agreement for the sale of the Qualified Obligation of the Municipality to the Bank (the "Qualified Obligation Purchase Agreement"); (ii) the Indenture; (iii) the Post Issuance Compliance Procedures (the "Post Issuance Compliance Procedures"); (iv) the continuing disclosure agreement (the "Continuing Disclosure Agreement"), to be executed by the Municipality; (v) the bond purchase agreement for the sale of the Bank Bonds (the "Bank Bonds Purchase Agreement") to the Underwriter; and (vi) the preliminary official statement for the Bank Bonds (the "Preliminary Official Statement").

13. It is advisable and in the public interest to authorize the Mayor to arrange for a bond rating for the Qualified Obligation and the Bank Bonds in the event that said officer determines that obtaining any such rating is in the best interests of the Municipality. The Governing Body should authorize the obtaining of such rating, the execution of any documents necessary or appropriate for such purpose, and the commitment to pay the rating fee and usual costs pertaining to any such rating by the Mayor if such officer determines any such rating to be in the best interest of the Municipality.

14. It is advisable and in the public interest to authorize the Mayor to arrange for municipal bond insurance to guarantee the payments of the principal of and interest on the Qualified Obligation and/or the Bank Bonds from a municipal bond insurance corporation in the event that said officer determines that obtaining any such municipal bond insurance is in the best interests of the Municipality. The Governing Body should authorize the obtaining of such municipal bond insurance, the execution of any documents necessary or appropriate for such purpose, and the commitment to pay the fees and usual costs, if any, pertaining to any such municipal bond insurance by the Mayor if such officer determines any such rating to be in the best interest of the Municipality.

15. The Bank Bonds will not be private activity bonds as such term is defined in Section 141 of the Code.

16. The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance and provides that the tax-exempt status of interest on obligations such as the Bank Bonds is contingent on a number of future actions by the Municipality. It is necessary to make certain covenants pertaining to the exclusion of the interest on the Bank Bonds from gross income for purposes of federal income taxation since such exclusion will depend, in part, upon continuing compliance by the Municipality with certain requirements of the Code.

17. The Qualified Obligation will be a general obligation of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a tax to be levied annually upon all the taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be sufficient to provide for the payment of the principal of and the interest on the Qualified Obligation according to the terms thereof.

18. The assessed value of all property within the Municipality, according to the last completed assessment for taxation, is Two Hundred Forty-Two Million Four Hundred Seventy-Five Thousand Six Hundred Twenty-Two Dollars (\$242,475,622); the Municipality has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by the Municipal Improvements Act, in the amount of Nineteen Million Three Hundred Ninety-Five Thousand Dollars (\$19,395,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by the Municipal Improvements Act (which amount includes the sum set forth above subject to the fifteen percent (15%) debt limit), in the amount of Twenty-Three Million Two Hundred Forty-Six Thousand Six Hundred Sixty-Seven Dollars (\$23,246,667); the issuance of the Qualified Obligation, when added to the outstanding bonded indebtedness of the Municipality, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the Municipality, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the Municipality and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the Municipality.

19. The amount of the Qualified Obligation, when added to the outstanding indebtedness of the Municipality, will not exceed any constitutional or statutory limitation on indebtedness.

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

SECTION 1. MUNICIPALITY RESOLUTION CONSTITUTES A CONTRACT. In consideration of the purchase and acceptance of the Qualified Obligation by the Registered Owner thereof, this Municipality Resolution shall constitute a contract between the Municipality and the Registered Owner from time to time of the Qualified Obligation. The pledges made herein and the covenants and agreements herein set forth to be performed on behalf of the Municipality shall be for the equal benefit, protection, and security of the Registered Owner of the Qualified Obligation, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority, or distinction.

SECTION 2. AUTHORIZATION AND PURPOSE OF QUALIFIED OBLIGATION. The Qualified Obligation is hereby authorized and ordered to be prepared and issued in the maximum principal amount of not to exceed Seven Million Five Hundred Thousand Dollars (\$7,500,000) to raise money for the Project, as authorized by the Act, and including the payment of a premium for municipal bond insurance, if any, to guarantee the payments of the principal of and interest on the Bank Bonds and the Qualified Obligation.

SECTION 3. TERMS OF QUALIFIED OBLIGATION. The Qualified Obligation shall be registered as to both principal and interest; shall be dated the date of the Bank Bonds; shall be issued in a single denomination equal to the principal amount thereof; shall be numbered one; shall bear interest from the date thereof at the rate or rates borne by the Bank Bonds as provided in the Indenture, payable at such times as provided in the Indenture; and shall mature and become due and payable, with option of prior payment in the same manner and the same dates and times as provided for the Bank Bonds in the Indenture.

SECTION 4. REDEMPTION OF QUALIFIED OBLIGATION.

The Qualified Obligation is subject to redemption at the option of the Municipality and scheduled mandatory redemption prior to maturity thereof, only at the times, to the extent, in the manner, and in the amounts that the Bank Bonds are subject to optional and mandatory redemption as provided in Section 4.01 of the Indenture. The Municipality shall provide proper notice to the Bank and the Trustee as provided in Section 4.05 of the Indenture in the event the Municipality elects to redeem the Qualified Obligation or any portion thereof, and redemption of the Qualified Obligation or any portion thereof shall be as provided in said Section 4.01. It is intended that redemption of the Qualified Obligation or any portion thereof may only occur through the processes provided in the Indenture, and the Municipality hereby accepts such redemption provisions by this reference.

SECTION 5. REGISTRATION AND EXECUTION OF QUALIFIED OBLIGATION.

(a) When the Qualified Obligation shall have been validated and executed as herein provided, the Qualified Obligation shall be registered as an obligation of the Municipality in a book maintained for that purpose by the Paying Agent, and the Clerk shall cause to be imprinted upon the Qualified Obligation, over the signature of said Clerk (or a facsimile thereof) and the

seal of the Municipality (or a facsimile thereof), the Clerk's certificate in substantially the form set out in Section 8 hereof.

(b) The Qualified Obligation shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the seal of the Municipality imprinted or affixed thereto; provided, however, all signatures and seals appearing on the Qualified Obligation, other than the signature of an authorized officer of the Paying Agent as hereinafter provided, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the Municipality whose signature or a facsimile of whose signature shall appear on the Qualified Obligation shall cease to be such official before the delivery or reissuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

SECTION 6. DELIVERY OF QUALIFIED OBLIGATION.

(a) The Qualified Obligation shall be delivered to the Trustee as assignee of the Bank as purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of the Qualified Obligation Purchase Agreement, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale, and validation of the Qualified Obligation, and the final, unqualified approving opinion of Bond Counsel.

(b) Prior to or simultaneously with the delivery by the Paying Agent of the Qualified Obligation, the Municipality shall file with the Paying Agent:

(1) a copy, certified by the Clerk, of this Municipality Resolution and of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale, and validation of the Qualified Obligation;

(2) an authorization to the Paying Agent, signed by the Mayor or the Clerk, to authenticate and deliver the Qualified Obligation to the Trustee and stating the purchase price of the Qualified Obligation; and

(3) such other moneys or documentation, if any, as may be required by this Municipality Resolution or the Indenture.

(c) The Paying Agent shall authenticate the Qualified Obligation and deliver it to the Trustee upon payment of the purchase price of the Qualified Obligation to the Municipality.

SECTION 7. PROVISIONS CONCERNING THE PAYING AGENT.

(a) The Municipality hereby designates the Trustee as Paying Agent for the Qualified Obligation.

(b) The Municipality shall pay or reimburse the Paying Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents, and

registrars, subject to agreement between the Municipality and the Paying Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct, or willful default of the Paying Agent, shall be made by the Municipality on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(c) (1) The Paying Agent may at any time resign and be discharged of its duties and obligations as Paying Agent by giving at least sixty (60) days' written notice to the Municipality, and may be removed as Paying Agent at any time by resolution of the Governing Body delivered to the Paying Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Paying Agent, and shall be transmitted to the Paying Agent being removed within a reasonable time prior to the effective date thereof; provided, however, that no resignation or removal of a Paying Agent shall become effective until a successor Paying Agent has been appointed pursuant to this Municipality Resolution.

(2) Upon receiving notice of the resignation of a Paying Agent, the Municipality shall promptly appoint a successor Paying Agent by resolution of the Governing Body. Any appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Paying Agent may thereupon, after such notice as it may deem appropriate, appoint a successor Paying Agent.

(3) In the event of a change of Paying Agent, the predecessor Paying Agent shall cease to be custodian of any funds held pursuant to this Municipality Resolution in connection with its role as such Paying Agent, and the successor Paying Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances, and expenses of the retiring or removed Paying Agent shall be fully paid. Every predecessor Paying Agent shall deliver to its successor Paying Agent all records, documents, and instruments relating to its duties as such Paying Agent.

(4) Any successor Paying Agent appointed under the provisions hereof shall be a bank, trust company, or banking association having a combined capital and surplus of at least Twenty-Five Million Dollars (\$25,000,000), having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers, and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

(5) Every successor Paying Agent appointed hereunder shall execute, acknowledge, and deliver to its predecessor Paying Agent and to the Municipality an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, shall become fully vested with all the rights, immunities, and powers, and subject to all the duties and obligations of its predecessor.

(6) Should any transfer, assignment, or instrument in writing be required by any successor Paying Agent from the Municipality to more fully and certainly vest in such successor

Paying Agent the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor Paying Agent, any such transfer, assignment, and written instrument shall, on request, be executed, acknowledged, and delivered by the Municipality.

(7) The Municipality will provide any successor Paying Agent with certified copies of all resolutions, orders, and other proceedings adopted by the Governing Body relating to the Qualified Obligation.

(8) All duties and obligations imposed hereby on a Paying Agent or successor Paying Agent shall terminate upon the accomplishment of all duties, obligations, and responsibilities imposed by law or required to be performed by this Municipality Resolution.

(d) Any corporation or association into which a Paying Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole, or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party shall be and become successor Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of either the Municipality or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent shall be satisfactory to the Municipality and eligible under the provisions of Section 9(c)(4) hereof.

SECTION 8. FORM OF QUALIFIED OBLIGATION. The Qualified Obligation shall be in substantially the following form, with such appropriate variations, omissions, and insertions as are permitted or required by the Qualified Obligation Purchase Agreement or this Municipality Resolution, or as shall be approved by the authorized representatives of the Municipality executing the Qualified Obligation, with their execution of the Qualified Obligation to be conclusive evidence of such approval.

THIS QUALIFIED OBLIGATION HAS BEEN ASSIGNED TO _____, AS TRUSTEE (THE "TRUSTEE") UNDER AN INDENTURE OF TRUST, DATED AS OF _____, 2018, BY AND BETWEEN THE MISSISSIPPI DEVELOPMENT BANK (THE "BANK") AND THE TRUSTEE. THIS QUALIFIED OBLIGATION IS REGISTERED IN THE NAME OF THE TRUSTEE AND IS NON-TRANSFERRABLE EXCEPT AS PERMITTED IN THE INDENTURE.

**UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
OKTIBBEHA COUNTY
CITY OF STARKVILLE, MISSISSIPPI
GENERAL OBLIGATION PUBLIC IMPROVEMENT BOND, SERIES 2018**

NO. 1

\$ _____

REGISTERED OWNER: _____,
As Assignee of the Mississippi Development Bank

PRINCIPAL AMOUNT: _____ **Dollars**

The City of Starkville, Mississippi (the "Municipality"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender hereof, at the corporate trust office of _____, _____, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Public Improvement Bond, Series 2018, of the Municipality (this "Qualified Obligation"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Qualified Obligation shall be made to the Registered Owner hereof who shall appear in the registration records of the Municipality maintained by Paying Agent at the times and periods as provided in the Indenture (as defined herein).

The Municipality further promises to pay interest on such principal amount from the date of this Qualified Obligation until said principal sum is paid to the Registered Owner hereof who shall appear in the registration records of the Municipality maintained by the Paying Agent as of the Record Date (as defined in the Municipality Resolution and the Indenture).

Payments of principal of and interest on this Qualified Obligation shall be made by check or draft mailed to such Registered Owner at its address as such address appears on such registration records in time to reach the Registered Owner at least five (5) days prior to an Interest Payment Date (as defined in the Municipality Resolution and the Indenture).

This Qualified Obligation is issued under the authority of the Constitution and statutes of the State of Mississippi, including Section 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "Municipal Improvements Act") and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "Bank Act") (together, the "Act"), and by the further authority of proceedings duly had by the Mayor and Board of Aldermen (the "Governing Body") of the Municipality, including a resolution adopted on February 6, 2018 (the "Municipality Resolution").

This Qualified Obligation is issued in the aggregate authorized principal amount of _____ Dollars (\$_____) for the purpose of (a) establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; protecting the municipality, its streets and sidewalks from overflow, caving banks and other like dangers; planning, constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor, and/or purchasing street traffic control devices and signalization; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect or guide the current thereof (the "Authorized Purpose") and (b) for related purposes, including, without limitation, paying the costs of the authorization, issuance, validation, sale, and delivery of the Qualified Obligation and the Bank Bonds (as defined herein).

The Municipality will duly and punctually pay the principal of, premium, if any, and interest on this Qualified Obligation at the dates and the places and in the manner mentioned in the Municipality Resolution, according to the true intent and meaning thereof. Notwithstanding

any schedule of payments upon the Qualified Obligation, the Municipality agrees to make payments upon the Qualified Obligation and be liable therefor at such times and in such amounts (including principal, premium, if any, and interest) so as to provide for payment of the principal of, premium, if any, and interest on the \$_____ Mississippi Development Bank Special Obligation Bonds, Series 2018 (Starkville, Mississippi, General Obligation Public Improvement Project) (the "Bank Bonds"), outstanding under the Indenture of Trust, by and between the Mississippi Development Bank (the "Bank") and _____, _____, Mississippi, as trustee (the "Trustee"), dated as of _____, 2018 (the "Indenture"), when due, whether upon a scheduled interest payment date, at maturity, or by mandatory redemption, optional redemption, mandatory tender, optional tender, or acceleration.

Reference is hereby made to the Municipality Resolution and to all amendments and supplements thereto for the provisions, among others, with respect to the nature and extent of the security for the Registered Owner, the rights, duties, and obligations of the Municipality and the Registered Holder, and the terms upon which this Qualified Obligation is or may be issued and secured.

The Municipality and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of principal hereof and interest due hereon and for all other purposes and neither the Municipality nor the Paying Agent shall be affected by any notice to the contrary.

This Qualified Obligation shall be a general obligation of the Municipality payable as to principal of, premium, if any, and interest out of and secured by a special tax to be levied annually by the Municipality, without limitation as to time, rate, or amount, upon all of the taxable property within the geographical boundaries of the Municipality adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the Qualified Obligation as the same becomes due. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the Municipality are collected, and the rate of the tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate, or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Qualified Obligation as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of the Qualified Obligation in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Qualified Obligation, as to principal of, premium, if any, and interest.

This Qualified Obligation is the only evidence of indebtedness issued and outstanding under the Municipality Resolution. This Qualified Obligation has been purchased by the Bank and has been assigned to the Trustee under the Indenture. This Qualified Obligation is registered in the name of the Trustee and is non-transferable except as provided in the Indenture.

The Municipality and the Trustee may deem and treat the person in whose name this Qualified Obligation is registered as the absolute owner hereof, whether this Qualified Obligation shall be overdue or not, for the purpose of receiving payment of the principal of, premium, if any, and interest on this Qualified Obligation and for all other purposes. All such payments so made to the Registered Owner shall be valid and effectual to satisfy and discharge the liability upon this Qualified Obligation to the extent of the sum or sums paid, and neither the Municipality nor the Trustee shall be affected by any notice to the contrary.

Upon a default in payment under this Qualified Obligation, the Trustee may, as provided in the Indenture and the Municipality Resolution, declare the principal of and accrued interest on this Qualified Obligation to be due and payable immediately.

Modifications or alterations of the Municipality Resolution may be made only to the extent and under the circumstances permitted by the Municipality Resolution and the Indenture.

This Qualified Obligation shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Municipality Resolution until the certificate of registration and authentication hereon shall have been signed by the Paying Agent.

Capitalized terms used herein, but not defined herein, shall have the meanings given to such terms in the Municipality Resolution and the Indenture.

IT IS HEREBY CERTIFIED, RECITED, AND REPRESENTED that all conditions, acts, and things required by law to exist, to have happened, and to have been performed precedent to and in the issuance of this Qualified Obligation, in order to make the same a legal and binding general obligation of the Municipality, according to the terms thereof, do exist, have happened, and have been performed in regular and due time, form, and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Qualified Obligation, including principal, premium, if any, and interest, the full faith, credit, and taxing power of the Municipality are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Municipality has caused this Qualified Obligation to be executed in its name by the manual or facsimile signature of the Mayor of the Municipality, countersigned by the manual or facsimile signature of the City Clerk of the Municipality, under the manual or facsimile seal of the Municipality, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, on this the ____ day of _____, 2018.

(seal)

CITY OF STARKVILLE, MISSISSIPPI

By _____
Mayor

COUNTERSIGNED:

City Clerk

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Qualified Obligation is the Qualified Obligation described in the within-mentioned Municipality Resolution and is the General Obligation Public Improvement Bond, Series 2018, of the City of Starkville, Mississippi.

_____, as Paying Agent

By _____
Authorized Signatory

Date of Registration and Authentication: _____

REGISTRATION AND VALIDATION CERTIFICATE

**STATE OF MISSISSIPPI
OKTIBBEHA COUNTY**

I, the undersigned City Clerk of the City of Starkville, Mississippi, do hereby certify that the within Qualified Obligation has been duly registered by me as an obligation of said Municipality pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Oktibbeha County, Mississippi, rendered on the ____ day of _____, 2018.

(seal)

City Clerk

SECTION 9. SECURITY FOR QUALIFIED OBLIGATION. The Qualified Obligation shall be a general obligation of the Municipality payable as to principal of, premium, if any, and interest out of and secured by a special tax to be levied annually by the Municipality, without limitation as to time, rate, or amount, upon all of the taxable property within the geographical boundaries of the Municipality adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the Qualified Obligation as the same becomes due. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the Municipality are collected, and the rate of the tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate, or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Qualified Obligation as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of the Qualified Obligation in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Qualified Obligation, as to principal of, premium, if any, and interest.

SECTION 10. AUTHENTICATION OF QUALIFIED OBLIGATION. Only when the Qualified Obligation shall have endorsed thereon a certificate of registration and authentication in substantially the form set forth in Section 8 hereof, duly executed by the Paying Agent, shall such bond be entitled to the rights, benefits, and security of this Municipality Resolution. The Qualified Obligation shall not be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication, and delivery under this Municipality Resolution. The Paying Agent's certificate of registration and authentication on the Qualified Obligation shall be deemed to have been duly executed if signed by an authorized officer of the Paying Agent.

SECTION 11. VALIDATION. The Qualified Obligation shall be submitted for validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, as amended,, and to that end the Clerk is hereby directed to prepare a transcript of all legal papers and proceedings relating to the Qualified Obligation and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 12. APPLICATION OF PROCEEDS AND OTHER MONEYS.

(a) The Municipality hereby designates the Trustee as Depository for the Municipality (the "Depository") for the Qualified Obligation.

(b) Upon initial delivery of the Qualified Obligation, the proceeds of the sale thereof shall be delivered to the Depository for deposit into the 2018 Improvements Fund (as hereinafter defined) to be used as set forth in Section 13.

SECTION 13. 2018 IMPROVEMENTS FUND. The Municipality hereby establishes the 2018 Improvements Fund (the "2018 Improvements Fund") which shall be maintained with the Depository or another qualified depository. Any income received from investment of monies in the 2018 Improvements Fund shall be deposited in the 2018 Improvements Fund. From the 2018 Improvements Fund there shall first be paid the costs of the Project, including the costs,

fees, and expenses incurred by the Municipality in connection with the authorization, issuance, sale, validation, and delivery of the Qualified Obligation and the Bank Bonds, to the extent not paid from the proceeds of the Bank Bonds pursuant to the Indenture and as authorized by the Act. Any amounts which remain in the 2018 Improvements Fund after the completion of the Project shall be transferred to the Series 2018 Debt Service Fund (as hereinafter defined) established by this Municipality Resolution and used as permitted under State law.

SECTION 14. SERIES 2018 DEBT SERVICE FUND.

(a) The Municipality hereby establishes the Series 2018 Debt Service Fund (the "Series 2018 Debt Service Fund") that shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Qualified Obligation, and the payment of the Paying Agent's fees in connection therewith. There shall be deposited into the Series 2018 Debt Service Fund as and when received:

(1) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;

(2) Any income received from investment of monies in the Series 2018 Debt Service Fund; and

(3) Any other funds available to the Municipality that may be lawfully used for payment of the principal of, premium, if any, and interest on the Qualified Obligation or for other obligations of the Municipality that may be due under the Indenture, and which the Governing Body, in its discretion, may direct to be deposited into the Series 2018 Debt Service Fund.

(b) As long as any principal of, premium, if any, and interest on the Qualified Obligation or the Bank Bonds remain outstanding and/or other obligations of the Municipality remain outstanding under the Indenture, the Clerk is hereby irrevocably authorized and directed to withdraw from the Series 2018 Debt Service Fund sufficient monies to make the payments necessary to pay (i) the principal of, premium, if any, and interest coming due on the Bank Bonds and (ii) any additional payments necessary and required as obligations of the Municipality under the Indenture (the "Payments"), and to transfer same to the account of the Trustee in time to reach the Trustee at least five (5) days prior to the date on which said interest or principal and interest or premium, if any, on the Bank Bonds shall become due. The Trustee shall deposit all Payments received in the General Account of the General Fund of the Indenture, or such other fund or account in the Indenture as so directed in the Indenture.

SECTION 15. CONSIDERATION OF AND APPROVAL OF THE TERMS OF THE BANK BONDS AND THE QUALIFIED OBLIGATION.

The Mayor, with all appropriate advice as he deems necessary and advisable, is hereby authorized and directed to make all final determinations necessary to complete and prepare on behalf of the Municipality all documents relating to the Bank Bonds and the Qualified Obligation. Without limiting the generality of the foregoing authorization, the Mayor is authorized to approve the date of sale, the dated date of the Bank Bonds, the final principal amount of the Bank Bonds, the maturity schedule relating to the Bank Bonds, the redemption terms of the Bank Bonds, and any other terms of the Bank Bonds

and Qualified Obligation; provided, however, that all such determinations shall be made subject to approval by the Executive Director of the Bank, to be evidenced by the execution of the Bank Bonds Purchase Agreement and the Qualified Obligation Purchase Agreement by the Executive Director of the Bank, acting for and on behalf of the Bank, pursuant to a resolution to be adopted by the Bank.

SECTION 16. AWARD OF QUALIFIED OBLIGATION AND BANK BONDS. The Qualified Obligation is hereby awarded and sold to the Bank, in accordance with the terms hereof and the Qualified Obligation Purchase Agreement submitted to the Governing Body in substantially the form attached as **Exhibit A** hereto. The Bank shall sell the Bank Bonds to the Underwriter pursuant to the terms provided in the Bank Bonds Purchase Agreement, and the Municipality hereby approves the sale of the Bank Bonds by the Bank to the Underwriter subject to the approval by the Mayor of the following: (i) a maximum rate of interest or coupon on the Bank Bonds shall not exceed eleven percent (11%) at its initial offering; (ii) approval of the Municipality of the final terms and conditions of the Qualified Obligation Purchase Agreement, including a maturity schedule for the Qualified Obligation not to exceed twenty (20) years and a maximum principal amount not to exceed \$7,500,000, as evidenced by the Municipality's execution of the Qualified Obligation Purchase Agreement; (iii) a principal and interest amortization schedule for repayment of the Bank Bonds acceptable to the Municipality; (iv) approval by the Municipality of the proposal for the sale of the Bank Bonds evidenced by the execution by the Mayor of the Bank Bonds Purchase Agreement; (v) approval by the Municipality of the principal amount of each series of the Bank Bonds by the Mayor's execution of the Bank Bonds Purchase Agreement, and (vi) terms and provisions of the Bank Bonds and the Qualified Obligation in compliance with the Act

SECTION 17. APPROVAL OF QUALIFIED OBLIGATION PURCHASE AGREEMENT. The Governing Body hereby approves the form of and execution of the Qualified Obligation Purchase Agreement by and between the Bank and the Municipality for the purchase and sale of the Qualified Obligation, and hereby authorizes the Mayor to execute the Qualified Obligation Purchase Agreement on behalf of said Governing Body. All provisions of the Qualified Obligation Purchase Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be part of this Municipality Resolution fully and to the same extent as if separately set out verbatim herein, which said Qualified Obligation Purchase Agreement shall be in substantially the form as provided in **Exhibit A** hereto, with such completions, changes, insertions, and modifications as shall be approved by the officers executing and delivering the same.

SECTION 18. APPROVAL OF BANK BONDS PURCHASE AGREEMENT. The Governing Body hereby approves the form of and the execution of the Bank Bonds Purchase Agreement by and between the Bank, the Underwriter, and the Municipality, for the purchase and sale of the Bank Bonds, and hereby authorizes the Mayor to execute the Bank Bonds Purchase Agreement on behalf of said Governing Body. All provisions of the Bank Bonds Purchase Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be part of this Municipality Resolution fully and to the same extent as if separately set out verbatim herein, which said Bank Bonds Purchase Agreement shall be in substantially the form as provided in **Exhibit B** hereto, with such completions, changes,

insertions, and modifications as shall be approved by the officers executing and delivering the same.

SECTION 19. APPROVAL OF PRELIMINARY OFFICIAL STATEMENT. The Preliminary Official Statement for the Bank Bonds is approved in substantially the form attached hereto as **Exhibit C**, with such completions, changes, insertions, and modifications as shall be approved by the officers executing same. The Mayor is hereby authorized and directed to approve the final Official Statement on behalf of the Governing Body with such changes from the Preliminary Official Statement as he may approve, and the Governing Body hereby authorizes the distribution of said Preliminary Official Statement and said final Official Statement and the use thereof by the Underwriter in connection with the sale of the Bank Bonds. The Mayor is designated as the representative and agent of the Municipality for the purposes of deeming the Preliminary Official Statement as "final" as of its date and as described in Rule 15c2-12(b)(1) of the Securities and Exchange Commission.

SECTION 20. APPROVAL OF INDENTURE AND TRUSTEE. The Municipality hereby approves and acknowledges the Indenture and the terms and provisions thereof in substantially the form attached hereto as **Exhibit D** and recognizes that many items governing the terms and conditions of the Qualified Obligation are based upon terms, limitations, and conditions provided in the attached Indenture. The Municipality hereby approves, acknowledges, and recognizes the appointment, selection, and hiring of Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, a banking association organized and existing under the laws of the State, to serve as the Trustee under the Indenture.

SECTION 21. APPROVAL OF CONTINUING DISCLOSURE AGREEMENT. The Continuing Disclosure Agreement, in substantially the form attached to the Preliminary Official Statement attached hereto as **Exhibit C** and made a part of this Municipality Resolution as though set forth in full herein, shall be, and the same hereby is, approved in substantially said form. The Mayor and the Clerk are hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement with such changes, insertions, and omissions as may be approved by such officers, said agreement and execution being conclusive of such approval, including the final approval.

The Municipality has agreed to update information and to provide notices of material events only as provided in the Continuing Disclosure Agreement. The Municipality has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects, or agreed to update any information that is provided, except as described herein and in the Continuing Disclosure Agreement in substantially the form attached to the Preliminary Official Statement attached hereto as **Exhibit C**. The Municipality makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell the Qualified Obligation or the Bank Bonds at any future date. The Municipality disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its Continuing Disclosure Agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of the Bank Bonds may seek a writ of mandamus to compel the Municipality to comply with its agreement.

SECTION 22. COVENANTS RELATING TO FEDERAL TAX.

(a) In order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bank Bonds, the Municipality covenants to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the Municipality agrees to comply with the federal tax certificate to be executed by the Mayor and the City Clerk on the date of the issuance and delivery of the Bank Bonds, as such federal tax certificate may be amended from time to time

(b) The Governing Body further covenants and agrees with the Trustee and the bondholders that the Municipality shall not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Bank Bonds, would cause the Bank Bonds to be "private activity bonds" or "arbitrage bonds" within the meaning of Sections 141(a) and 148(a), respectively, of Code.

SECTION 23. OTHER COVENANTS RELATING TO THE BANK BONDS.

(a) The Bank Bonds will not be a private activity bond within the meaning of Section 141 of the Code.

(b) No more than ten percent (10%) of the proceeds of the Bank Bonds will be used (within the meaning of Section 141 of the Code), directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person) carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(c) No more than ten percent (10%) of any property with respect to which all or any part of the proceeds of the Bank Bonds will be used (within the meaning of Section 141 of the Code), directly or indirectly, in a trade or business (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person), carried on by any person other than a governmental unit (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(d) The aggregate of: (i) the amount of proceeds of the Bank Bonds used for any private business use (within the meaning of Section 141 of the Code) which is not related to the governmental use (within the meaning of Section 141 of the Code) of such proceeds; plus (ii) the amount of proceeds of the Bank Bonds used with respect to any private business use which is related to a governmental use of such proceeds and which exceeds the amount of such proceeds used for the governmental use to which such private business use relates will not exceed five percent (5%) of the proceeds of the Bank Bonds.

(e) None of the proceeds of the Bank Bonds will be used to make or finance loans for persons other than governmental units.

(f) In no event will the payment of more than ten percent (10%) of the debt service on the Bank Bonds be (under the terms of the Qualified Obligation, the Bank Bonds, or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a private business use or payments in respect to such property or to be derived from payments (whether or not to the Municipality) in respect of property or borrowed money used or to be used for a private business use.

(g) The Municipality covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory, or possession of the United States, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Municipality, which (1) were or are to be sold at substantially the same time as the Bank Bonds, (2) were or are to be sold at substantially the same interest rate as the interest rate on the Bank Bonds, (3) were or are to be sold pursuant to a common plan of marketing as the marketing plan for the Bank Bonds, and (4) are payable directly or indirectly by the Municipality or from the source from which the Bank Bonds are payable. The Municipality covenants and certifies that there are no additional facts or circumstances which may further evidence that the Bank Bonds are part of any other issue of obligations.

(h) The Municipality covenants and certifies that no payment of principal of or interest on the Bank Bonds is or will be guaranteed (in whole or in part, directly or indirectly) by the United States, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States. The Municipality represents, warrants, and covenants that none of the proceeds of the Bank Bonds will be: (a) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States; or (b) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation other than: (1) the investment of proceeds of the Bank Bonds for an initial temporary period (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds are needed for the purpose for which the Bank Bonds is being issued; (ii) investments of a bona fide debt service fund (within the meaning of Subparagraph 3(B) of Subsection 149(b) of the Code); (iii) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (iv) investments in bonds issued by the United States Treasury; or (v) other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

(i) The Municipality covenants and certifies that, notwithstanding any provision of this Municipality Resolution, or the rights of the Municipality thereunder and hereunder, the Municipality will not take or permit to be taken on its behalf any action which would impair the exclusion of interest on the Bank Bonds from gross income for purposes of federal income taxation, and it will take such reasonable action as may be necessary to continue such exclusion, including, without limitations the preparation and filing of any statements required to be filed by it in order to maintain such exclusion.

(j) In the event the Municipality receives an opinion of Bond Counsel to the effect that any of the requirements referenced in Sections 24 and 25 hereof are not required to be met

in order to maintain the tax-exempt status of interest on the Bank Bonds, the Municipality need not satisfy such requirements.

SECTION 24. BOND INSURANCE AND BOND RATING.

(a) The Mayor and the Clerk are hereby authorized within their discretion to apply for an "Insurance Policy Commitment" for municipal bond insurance to guarantee the payments of the principal of and interest on the Qualified Obligation and the Bank Bonds from a municipal bond insurance corporation (the "Bond Insurer"). The Mayor and the Clerk of the Municipality are further authorized to execute and deliver the Insurance Policy Commitment for the provision of municipal bond insurance and any additional documents and certificates which are required by the Bond Insurer to provide credit enhancement in connection with the issuance of the Qualified Obligation and/or the Bank Bonds. Any changes, insertions, and omissions, as may be required by the Bond Insurer as conditions to the issuance of its municipal bond insurance policy, to the Indenture, the Qualified Obligation Purchase Agreement, and the Preliminary Official Statement are to be approved by the Mayor of the Municipality, such approval being hereby authorized and the execution of the Insurance Policy Commitment for said municipal bond insurance being conclusive evidence of such approval. In anticipation of the issuance of the Insurance Policy Commitment by the Bond Insurer for its municipal bond insurance policy, the Municipality hereby approves (1) the engagement of the Bond Insurer and (2) the references to said Bond Insurer, the municipal bond insurance policy, and the documents related to the issuance of the Qualified Obligation and the Bank Bonds in all documents associated therewith and the deletion of said references if the Bond Insurer should not provide the Insurance Policy Commitment for its municipal bond insurance policy.

(b) The Mayor and the Clerk are hereby authorized to obtain a bond rating or ratings with regard to the sale of the Bank Bonds, and to execute such documents, to do such other things, and take such other actions as may be necessary with regard thereto, if such officials determine that obtaining such rating or ratings will result in a net savings with regard to the sale of the Bank Bonds.

SECTION 25. POST ISSUANCE COMPLIANCE PROCEDURES. The Municipality hereby approves and adopts the "Post Issuance Compliance Procedures" in substantially the form attached hereto as **Exhibit E**.

SECTION 26. EXECUTION OF DOCUMENTS, ETC. The Mayor and the Clerk, and any other officers of the Governing Body, are authorized to execute and deliver such resolutions, agreements, certificates, and other documents as are required for the authorization, issuance, sale, validation, and delivery of the Qualified Obligation and to approve the payment of the costs of issuance of the Qualified Obligation and the Bank Bonds by the Trustee pursuant to requisitions submitted to such officers and the Trustee.

SECTION 27. AMENDMENTS TO RESOLUTION. (a) The Bank and the Municipality, with the consent of the Trustee with respect to Sections 27(a)(4) and 27(a)(5) hereof, but without the consent of the owners of any of the Bank Bonds outstanding under the Indenture, may enter into supplements to this Municipality Resolution that shall not be inconsistent with

the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Municipality Resolution or the Indenture, and in addition thereto for the following purposes:

(1) To cure any ambiguity, formal defect, or inconsistency in this Municipality Resolution, to provide any omitted language in this Municipality Resolution, or to clarify matters or questions arising hereunder;

(2) To add covenants and agreements for the purpose of further securing the obligations of the Municipality hereunder;

(3) To confirm as further assurance any mortgage or pledge of additional property, revenues, securities, or funds;

(4) To conform the provisions of this Municipality Resolution in connection with the provisions of any supplements or amendments to the Indenture entered into pursuant to the provisions of Section 12.01 thereof;

(5) To provide any other modifications which, in the judgment of the Trustee, are not prejudicial to the interests of the holders of the Bank Bonds; or

(6) To conform the covenants and provisions of the Municipality contained herein to any different financial statement presentation required by the Financial Accounting Standards Board or Government Accounting Standards Board that is different than the presentation required as of the date of issuance of the Qualified Obligation, so long as the effect of such conformed covenants and provisions is substantially identical to the effect of the covenants and provisions as in effect on the date of issuance of the Qualified Obligation.

(b) The provisions of this Municipality Resolution may be amended in any particular with the written consent of the Bank and the owners of not less than a majority of the aggregate principal amount of the Bank Bonds then outstanding; provided, however, that no such amendment may be adopted that decreases the percentage of owners of Bank Bonds required to approve any amendment, or which permits a change in the date of payment of the principal or interest on any Bank Bonds or of any redemption price thereof or the rate of interest thereon.

(c) If at any time the Bank and the Municipality shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem the Bank Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all holders of the Bank Bonds. If within ninety (90) days, or such longer period as shall be prescribed by the Bank, following such notice, the owners of not less than a majority in aggregate principal amount of the Bank Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bank Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Municipality, or the Bank from executing or approving the same or from taking any action pursuant to the provisions thereof.

Upon the execution of any such proposed amendment as in this Section permitted and provided, this Municipality Resolution shall be and be deemed to be modified and amended in accordance with such amendment.

(d) Copies of any such supplement or amendment shall be filed with the Trustee and delivered to the Bank and the Municipality before such supplement or amendment may become effective.

(e) No supplemental agreement or amendment shall be executed and delivered pursuant hereto without prior written notice having been given by the Municipality to any rating agency carrying a rating on the Bank Bonds or the Qualified Obligation of the Municipality's intention to execute such supplemental agreement or amendment not less than fifteen (15) days in advance of the execution of said supplemental agreement or amendment.

SECTION 28. REPEALING CLAUSE AND EFFECTIVE DATE. All orders, resolutions, or proceedings of the Governing Body in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded, and set aside, but only to the extent of such conflict. For cause, this Municipality Resolution shall become effective upon the adoption hereof.

Following the reading of the foregoing resolution and discussion thereof, Alderman _____ moved and Alderman _____ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Ben Carver	voted: _____
Alderman David Little	voted: _____
Alderman Patrick Miller	voted: _____
Alderman Roy A'. Perkins	voted: _____
Alderwoman Sandra C. Sistrunk	voted: _____
Alderman Henry N. Vaughn, Sr.	voted: _____
Alderman Jason Walker	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this the 20th day of February, 2018.

City of Starkville, Mississippi

Lynn Spruill, Mayor

ATTEST:

Lesa Hardin, City Clerk

(seal)

EXHIBIT A

QUALIFIED OBLIGATION PURCHASE AGREEMENT

QUALIFIED OBLIGATION PURCHASE AGREEMENT

THIS QUALIFIED OBLIGATION PURCHASE AGREEMENT (this "Agreement") is dated the ____ day of _____, 20____, by and between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic (the "Bank"), created pursuant to the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (hereinafter referred to as the "Bank Act"), having its principal place of business in the City of Jackson, Mississippi, and **THE CITY OF STARKVILLE, MISSISSIPPI** (the "City"), a "local governmental unit" within the meaning of the Bank Act.

WITNESSETH:

WHEREAS, pursuant to the Bank Act, the Bank is authorized to, among other things, issue bonds of the Bank for the purpose of purchasing securities of "local governmental units" (as defined in the Bank Act) and the making of loans to "local governmental units" to accomplish a public purpose as set forth under the Bank Act (the "Program"); and

WHEREAS, pursuant to Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "Municipal Improvements Act"), and a resolution adopted on _____, 20____ (the "Municipality Resolution"), by the Mayor and Board of Aldermen (the "Governing Body") of the City, the City has duly authorized the issuance of its general obligation public improvement bond designated the "Starkville, Mississippi, General Obligation Public Improvement Bond, Series 2018, in the form of one fully registered bond, in the principal amount of _____ Dollars (\$_____) (the "Qualified Obligation"); and

WHEREAS, the Qualified Obligation is expected to be purchased by the Bank in accordance with the terms and conditions of this Agreement; and

WHEREAS, the Board of Director (the "Board") of the Bank has adopted a resolution on _____, 20____ (the "Bank Resolution"), approving an Indenture of Trust (the "Indenture") dated as of _____ 1, 20____, by and between the Bank and Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, as trustee (the "Trustee"), authorizing the issuance of its Mississippi Development Bank Special Obligation Bonds (Starkville, Mississippi, General Obligation Public Improvement Project), Series 20____ (the "Bank Bonds"), a portion of the proceeds of which will be used to purchase the Qualified Obligation.

NOW, THEREFORE, the Bank and the City agree as follows:

1. Subject to the terms and conditions of this Agreement, the Bank hereby agrees to purchase the Qualified Obligation from the City and the City hereby agrees to sell the Qualified Obligation to the Bank at the purchase price of \$_____, representing the par amount of the Qualified Obligation of \$_____, less \$_____ to be deposited into the Bond Issuance Expense Account of the General Fund (as defined in the Indenture). The amount of such purchase price will be distributed to the City, which amount shall be subject to requisition by the City for deposit in the 2018 Improvements Fund (the "2018 Improvements Fund") for the Authorized Purpose, all as provided under the Municipality Resolution, pursuant to which the City will issue the Qualified Obligation. The terms of the Qualified Obligation are set forth in the Municipality Resolution and incorporated herein by reference.

2. The City will take all actions required by law to enable it to issue and sell the Qualified Obligation to be purchased by the Bank, and the City's obligation to issue and sell the Qualified Obligation and the Bank's obligation to purchase the Qualified Obligation are expressly contingent upon the City's taking all steps and receiving all approvals required by the laws of the State of Mississippi (the "State") to issue the Qualified Obligation.

3. To the extent the Qualified Obligation is subject to the rebate requirements as set forth in Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (the "Rebate Requirement"), the City agrees to pay to the Bank for prompt payment to or to provide evidence to the Bank of payment to, the United States of America of the Rebate Requirement resulting from the investment of moneys held by the City that constitute gross proceeds of the Bank Bonds, as such Rebate Requirement is computed by the City. The City agrees to provide documentation to the Bank relative to the computation of the Rebate Requirement and payment of such Rebate Requirement when required.

4. At such time as the Bank shall reasonably request and in any event prior to the delivery to the Bank of the Qualified Obligation, which Qualified Obligation shall be in the form set forth in the Municipality Resolution and registered in the name of the Trustee as the assignee of the Bank, the City shall furnish to the Bank a transcript of proceedings and opinions of counsel satisfactory to the Bank which shall set forth, among other things, the unqualified approval of the validity and authorized issuance of the Qualified Obligation.

5. The City and the Bank agree that the Qualified Obligation and the payments to be made thereon may be pledged or assigned by the Bank only under and to the extent provided in the Indenture.

6. As long as the Qualified Obligation remains outstanding, the City agrees to furnish to the Bank annual financial reports, audit reports, and such other financial information as is reasonably requested by the Bank, including information which may concern the tax-exempt status of the Bank Bonds and the City's and the Bank's obligations to rebate excess earnings according to the Rebate Requirement.

7. The City agrees to enter into a written undertaking for the benefit of the holders of the Bank Bonds to deliver, or cause to be delivered, certain of the information as contained in the Official Statement dated _____, 20__ (the "Official Statement"), to each "nationally recognized municipal securities information repository" within the meaning of Rule 15c2-12 of the Securities and Exchange Act of 1933. On or prior to the delivery date of the Bank Bonds, an authorized officer of the City will deliver a certificate to the effect that the statements made in the Official Statement, including without limitation the appendices thereto, made by the City pertaining to the City and the Qualified Obligation, as of the date of the Official Statement, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition and affairs of the City during the period from the date of the Official Statement to the date of delivery of the Bank Bonds which was not disclosed in or contemplated by the Official Statement.

8. The Bank is obligated to purchase the Qualified Obligation solely from proceeds of the Bank Bonds.

9. This Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original, and all of which constitute but one and the same instrument. The Bank and the City each agree that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Agreement.

10. No waiver by either the Bank or the City of any term or condition of this Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase, or other provision of this Agreement.

11. The City has reviewed the Indenture and approves the terms thereof, and agrees to take all actions required of it thereunder.

12. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the Bank and the City relating to the subject matter hereof and constitutes the entire agreement between the Bank and the City in respect hereof.

13. If any provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Agreement and this Agreement shall be construed and in force as if such invalid or unenforceable provision had not been contained herein.

IN WITNESS WHEREOF, we have set our hands unto this Qualified Obligation Purchase Agreement as of the day first above written.

(seal)

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

ATTEST:

By: _____
Secretary

IN WITNESS WHEREOF, we have set our hands unto this Qualified Obligation Purchase Agreement as of the day first above written.

CITY OF STARKVILLE, MISSISSIPPI

By: _____
Mayor

ATTEST:

By: _____
City Clerk

(seal)

EXHIBIT B

BANK BONDS PURCHASE AGREEMENT

BANK BONDS PURCHASE AGREEMENT

\$ _____
**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2018
(STARKVILLE, MISSISSIPPI,
GENERAL OBLIGATION PUBLIC IMPROVEMENT PROJECT)**

Mississippi Development Bank
735 Riverside Drive, Suite 300
Jackson, Mississippi 39202

Mayor and Board of Aldermen
City of Starkville, Mississippi
City Hall
110 West Main Street
Starkville, Mississippi 39759

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc., Memphis, Tennessee (the "Underwriter"), being duly authorized, offers to enter into the following agreement with the Mississippi Development Bank (the "Bank") and the City of Starkville, Mississippi (the "City"), which, upon your acceptance of this offer, will be binding upon the Bank and the City and upon the Underwriter. This offer is made subject to your written acceptance of this Bank Bonds Purchase Agreement (as defined herein) on or before 5:00 o'clock p.m., Central Time, on _____, 20____, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered by the Underwriter to the Bank and the City at the above addresses, at any time prior to the acceptance hereof by you.

1. **Purchase.**

(a) Upon the terms and conditions and upon the basis of the representations, warranties, and agreements set forth herein, the Underwriter hereby agrees to purchase from the Bank for offering to the public, and the Bank hereby agrees to sell and deliver to the Underwriter for such purpose, an aggregate of \$_____ principal amount of the Bank's Special Obligation Bonds, Series 2018 (Starkville, Mississippi, General Obligation Public Improvement Project) (the "Bonds"), dated the date of delivery thereof, and having maturities and bearing interest at the rates per annum as set forth in **Exhibit A** hereto, and payable as described in the resolution concerning the Bonds adopted on _____, 20____, by the Board of Directors (the "Board") of the Bank (the "Bank Resolution"), an Indenture of Trust under which the Bonds will be issued and by which they will be secured, dated as of the date of delivery of the Bonds (the "Indenture"), by and between the Bank and Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, as trustee (the "Trustee"), and otherwise having such terms as are described in the Preliminary Official Statement of the Bank dated _____, 20____, regarding the sale of the Bonds (the "Preliminary Official Statement"). The purchase price for the

Bonds shall be \$_____, being comprised of the principal amount of the Bonds of \$_____, plus an original issue premium of \$_____, and less an Underwriter's discount of \$_____, which purchase price, subject to the terms and conditions of this purchase agreement for the Bonds (the "Bank Bonds Purchase Agreement"), will be paid to the Trustee on behalf of the Bank on the date of the payment for and delivery of the Bonds (herein called the "Closing"). The Bonds will be subject to optional and mandatory sinking fund redemption prior to maturity as set forth in **Exhibit A** hereto.

The proceeds of the Bonds will be use by the Bank to purchase the City's General Obligation Public Improvement Bond, Series 2018, in the maximum principal amount of \$_____, dated as of the date of delivery of the Bonds (the "Qualified Obligation"), and pursuant to the Qualified Obligation Purchase Agreement executed between the City and the Bank dated as of the date of delivery of the Bonds (the "Qualified Obligation Purchase Agreement").

(b) It is intended that interest on the Bonds will be excluded from gross income for federal income tax purposes under existing statutes, regulations, rulings, and court decisions and as set forth in the Preliminary Official Statement, and in reliance thereon, the Underwriter may offer the Bonds without registration under the Securities Act of 1933, as amended.

(c) All capitalized terms used and not defined herein shall have the meanings ascribed to them in the Indenture and the Preliminary Official Statement.

(d) The Bonds and the Qualified Obligation are issued pursuant to the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "Bank Act"), and the provisions of Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended (the "Municipal Improvements Act") (together, the "Act").

(e) The principal of, premium, if any, and interest on the Bonds shall be payable solely and only from those revenues and funds of the Bank under the Indenture, and payments made by the City under the Qualified Obligation Purchase Agreement, as more particularly described in the Preliminary Official Statement and the Indenture. The City authorized the Qualified Obligation pursuant to a resolution of the City adopted by the Mayor (the "Mayor") and the Board of Aldermen (the "Governing Body") of the City on _____, 20____, said resolution also approving the form of and execution of the Qualified Obligation Purchase Agreement, and approving the issuance and sale of the Bonds (the "Municipality Resolution") (together with the Bank Resolution, the "Authorizing Resolutions"). The Qualified Obligation is a general obligation of the City and is secured by the full faith, credit, and taxing power of the City.

2. **Preliminary Official Statement and Official Statement.** A Preliminary Official Statement of the Bank has been distributed in connection with the Bonds, and an Official Statement of the Bank, to be dated _____, 20____, will be delivered as hereinafter set forth in this Paragraph 2. The final Official Statement as it may be amended or supplemented, with the written consent of the Bank and the Underwriter, is hereinafter called the "Official Statement."

The Bank and the City hereby authorize the use of the Preliminary Official Statement, the Official Statement, and the information therein contained by the Underwriter in connection with the public offering and the sale of the Bonds. As required by Rule 15c2-12 promulgated by the Securities and Exchange Commission under Section 15 of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Underwriter shall deliver the Official Statement to the Municipal Securities Rulemaking Board (the "MSRB"). The Bank and the City hereby approve of and ratify the use by the Underwriter on or before the date hereof of the Preliminary Official Statement in connection with the prospective offering of the Bonds prior to the date hereof. The Bank and the City have duly authorized, approved, and delivered the Preliminary Official Statement to the Underwriter, the Bank, and the City, and have previously deemed the Preliminary Official Statement final as of its date, except for the omission of the following information: offering, prices, interest rates, selling compensation, aggregate principal amount of the Bonds, principal amount per maturity, delivery date, ratings (if any), and other terms of the Bonds depending on such matters permitted to be omitted in accordance with Paragraph (b)(1) of Rule 15c2-12; and the Bank has duly authorized, approved, and will execute the Official Statement on or prior to the Closing and shall deliver the same in final printed form subject to the provisions of Paragraph 9 hereof to permit the Underwriter to comply with Paragraph (b)(3) of Rule 15c2-12 and the rules of the MSRB, within seven (7) business days from the date hereof. The Bank and the City have delivered a "deemed final" certificate to the Underwriter, dated the date hereof, to evidence compliance with Rule 15c2-12 to the date hereof (the "Deemed Final Certificate"), in substantially the form attached hereto as **Exhibit B**.

3. **Representations and Warranties of the Bank.** The Bank represents and warrants to and agrees with the Underwriter that:

(a) The Bank is a public body corporate and politic of the State of Mississippi (the "State"). The Board of the Bank is duly organized and existing under the Constitution and laws of the State with the powers and authority, among others, set forth in Bank Act, and is authorized to issue the Bonds and otherwise to act on behalf of the Bank in connection with the issuance and sale of the Bonds.

(b) The Board, on behalf of the Bank, has full legal right, power, and authority to enter into or accept this Bank Bonds Purchase Agreement, the Qualified Obligation Purchase Agreement, and the Indenture, to adopt the Bank Resolution, and to issue, sell, and deliver the Bonds to the Underwriter as provided herein and to carry out, to accept and assign the Qualified Obligation, and consummate all other transactions contemplated by this Bank Bonds Purchase Agreement, the Bonds, the Qualified Obligation Purchase Agreement, the Indenture, the Bank Resolution, and the Official Statement.

(c) By official action of the Board prior to or concurrently with the acceptance hereof, the Board has duly adopted the Bank Resolution, has duly authorized and approved the execution and delivery of or acceptance of, and the performance by the Bank of the obligations of the Bank contained in the Bank Resolution, the Indenture, the Qualified Obligation Purchase Agreement, the Bonds, and this Bank Bonds Purchase Agreement, and the consummation by it of all other transactions contemplated by the Official Statement and this Bank Bonds Purchase Agreement.

(d) Neither the Bank nor the Board is in breach of or default under any applicable law or administrative regulation of the State or the United States of America, or any applicable judgment or decree or any agreement or other instrument to which either the Bank or the Board is a party or is otherwise subject, which breach or default would in any way materially adversely affect the official existence or powers of the Bank or the Board, the Bank Resolution, the Indenture, the Qualified Obligation Purchase Agreement, this Bank Bonds Purchase Agreement, or the issuance of the Bonds, and no event has occurred and is continuing, which with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such instrument; and the execution and delivery of or acceptance of this Bank Bonds Purchase Agreement, the Indenture, the Qualified Obligation Purchase Agreement, and the Bonds and the adoption of the Bank Resolution and compliance with the provisions of each thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, agreement, or other instrument to which either the Bank or the Board is a party or is otherwise subject.

(e) At the time of the Bank's acceptance hereof, the Preliminary Official Statement as it pertains to the Bank does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) No summons or complaint or any other notice or document has been served upon or delivered to the Bank or the Board or any of their officers or employees relating to any litigation, and there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board or body, pending or, to the best knowledge of the Bank or the Board, threatened against the Bank or the Board, affecting the existence of the Bank or the Board, the titles of their officers to their respective offices or seeking to prohibit, restrain, or enjoin the issuance, sale, or delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the tax exempt status of the Bonds, the Bank Resolution, the Indenture, or this Bank Bonds Purchase Agreement, the acceptance and assignment of the Qualified Obligation, or contesting in any way the completeness or accuracy of the Preliminary Official Statement, or contesting the powers of the Bank or the Board or any authority for the issuance of the Bonds, the adoption of the Bank Resolution, the assignment of the Qualified Obligation, or the execution or acceptance of this Bank Bonds Purchase Agreement, the Indenture, the Qualified Obligation Purchase Agreement, or the Bank's performance thereunder, nor is there any controversy or litigation pending or, to the best knowledge of the Bank or the Board, threatened, nor, to the best of the knowledge of the Bank and the Board, is there any basis therefore, wherein an unfavorable decision, ruling, or finding would materially adversely affect the tax exempt status of the interest on the Bonds or the validity or enforceability of the Bonds, the Bank Resolution, the Indenture, the Qualified Obligation Purchase Agreement, the Qualified Obligation, or this Bank Bonds Purchase Agreement.

(g) Except as otherwise provided herein, (i) the Bank Resolution, the Indenture, the Qualified Obligation Purchase Agreement, this Bank Bond Purchase

Agreement, and the Bonds conform to the description thereof contained in the Preliminary Official Statement, and (ii) the Bonds and the Indenture will constitute valid, legally binding, and enforceable obligations of the Bank.

(h) The proceeds from the sale of the Bonds will be used or applied as is provided in the Authorizing Resolutions, the Indenture, and the Preliminary Official Statement.

4. **Representations and Warranties of the City.** The City represents and warrants to and agrees with the Underwriter that:

(a) The City is a public body corporate, a political subdivision of the State, and a "local governmental unit" within the meaning of the Bank Act. The Governing Body is duly organized and existing under the Constitution and laws of the State and is authorized, pursuant to the provisions of Municipal Improvements Act to issue the Qualified Obligation under the terms and provisions of the Municipality Resolution, under which the City's obligations in connection with the Qualified Obligation arise, and otherwise to act, on behalf of the City in connection with the execution of the Qualified Obligation Purchase Agreement and this Bank Bonds Purchase Agreement.

(b) The Governing Body, on behalf of the City, have full legal right, power, and authority to enter into or accept this Bank Bonds Purchase Agreement, the Continuing Disclosure Agreement executed by the City (the "Continuing Disclosure Agreement"), and the Qualified Obligation Purchase Agreement, to execute, issue, and deliver the Qualified Obligation to the Bank as provided in the Municipality Resolution, and to carry out and consummate all other transactions contemplated by this Bank Bonds Purchase Agreement, the Qualified Obligation Purchase Agreement, the Municipality Resolution, the Continuing Disclosure Agreement, and the Official Statement.

(c) By official action of the Governing Body prior to or concurrently with the acceptance hereof, the Governing Body has duly adopted the Municipality Resolution and has duly approved the execution and delivery by the Mayor of the City of the City and/or the City Clerk of the City (the "Clerk") of this Bank Bonds Purchase Agreement, the Qualified Obligation Purchase Agreement, the Qualified Obligation, and the Continuing Disclosure Agreement, has duly authorized and approved the execution and delivery of or acceptance of, and the performance by the City of the obligations of the City contained in, the Qualified Obligation Purchase Agreement, the Qualified Obligation, the Continuing Disclosure Agreement, and this Bank Bonds Purchase Agreement, and the consummation by it of all other transactions contemplated by the Preliminary Official Statement and this Bank Bonds Purchase Agreement.

(d) Neither the City nor the Governing Body is in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any agreement or other instrument to which either the City or the Governing Body is a party or is otherwise subject, which breach or default would in any way materially adversely affect the official existence or powers of the City or the Governing Body, the Municipality Resolution, the Qualified

Obligation, and the Qualified Obligation Purchase Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a breach of or default under any such instrument; and the execution and delivery of or acceptance of this Bank Bonds Purchase Agreement, the Qualified Obligation, the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, the adoption of the Municipality Resolution, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, agreement, or other instrument to which either the City or the Governing Body is a party or is otherwise subject.

(e) The Preliminary Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in connection with the City, the Municipality Resolution, the Qualified Obligation Purchase Agreement, the Qualified Obligation, and the Continuing Disclosure Agreement, in the light of the circumstances under which they were made, not misleading, and as of the Closing, the Official Statement will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein in connection with the City, the Municipality Resolution, the Qualified Obligation Purchase Agreement, the Qualified Obligation, and the Continuing Disclosure Agreement, in the light of the circumstances under which they were made, not misleading.

(f) Between the date of this Bank Bonds Purchase Agreement and the Closing, neither the City nor the Governing Body on behalf of the City, will, without the prior written consent of the Underwriter, which consent will not be unreasonably withheld, issue any bonds, notes, or other obligations for borrowed money.

(g) No summons or complaint or any other notice or document has been served upon or delivered to the City or the Governing Body or any of their officers or employees relating to any litigation, and there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board,, or body, pending or, to the best knowledge of the City or the Governing Body, threatened against the City or the Governing Body, affecting the existence of the City or the Governing Body, the titles of their officers to their respective offices or seeking to prohibit, restrain, or enjoin the issuance or delivery of the Qualified Obligation, or in any way contesting or affecting the validity or enforceability of the Municipality Resolution, the Bank Bonds Purchase Agreement, the Continuing Disclosure Agreement, the Qualified Obligation, and the Qualified Obligation Purchase Agreement, the tax exempt status of the interest on the Bonds, or contesting in any way the completeness or accuracy of the Preliminary Official Statement, or contesting the powers of the City or the Governing Body or any authority for the issuance of the Qualified Obligation, the adoption of the Municipality Resolution, the execution of the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, and this Bank Bonds Purchase Agreement, or the City's performance thereunder, nor is there any controversy or litigation pending, or to the best knowledge of the City or the Governing Body, threatened, nor, to the best of the knowledge of the City and the Governing Body, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the tax exempt

status of the Bonds, the validity or enforceability of the Qualified Obligation, the Municipality Resolution, the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, or this Bank Bonds Purchase Agreement.

(h) The proceeds from the Qualified Obligation will be used or applied as provided in the Municipality Resolution, the Qualified Obligation Purchase Agreement, and the Preliminary Official Statement.

(i) The City will undertake, pursuant to the Continuing Disclosure Agreement, to provide financial information and notices of certain events in connection with the Bonds. A description of this undertaking is set forth in the Preliminary Official Statement.

(j) Except as otherwise provided herein, (i) the Municipality Resolution, the Qualified Obligation Purchase Agreement, the Qualified Obligation, and the Continuing Disclosure Agreement conform to the descriptions thereof contained in the Preliminary Official Statement, and (ii) this Bank Bonds Purchase Agreement, the Continuing Disclosure Agreement, the Qualified Obligation, and the Qualified Obligation Purchase Agreement will constitute valid, legally binding, and enforceable obligations of the City.

5. Further Representations and Warranties of the Bank. The Bank further represents and warrants to and agrees with the Underwriter that:

(a) The Bank will furnish such information, execute such instruments, and take such other reasonable action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws or regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the Bank shall not be required to consent to service of process in any state or place where such is not provided by the laws of such state.

(b) No consent, approval, authorization, or order of, or filing, registration, or declaration with any court or government agency or body is required for the issuance, sale, or delivery of the Bonds or the consummation of the other transactions effected or contemplated herein or thereby, except such as may be required under the Blue Sky or other securities laws or regulations of any jurisdiction in connection with the offer and sale of the Bonds by the Underwriter, or if any such consent, approval, or authorization is required, the Bank will obtain it prior to the date of the Closing and will provide reasonable evidence to the Underwriter that the same has been obtained.

(c) Except as otherwise provided herein, (i) the Bank Resolution, the Indenture, the Qualified Obligation, the Qualified Obligation Purchase Agreement, and the Bonds conform to the descriptions thereof contained in the Preliminary Official Statement, (ii) the Bonds, when validly issued, authenticated, and delivered in accordance with the Bank Resolution and the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding limited obligations of the Bank entitled to the benefits and security of the Bank Resolution and the Indenture, all as more fully

described in the Preliminary Official Statement, and as to be more fully described in the Official Statement, and will constitute valid, legally binding, and enforceable limited obligations of the Bank, and (iii) the Bank Resolution and the Indenture will constitute valid, legally binding, and enforceable obligations of the Bank.

(d) In order for the Underwriter to comply with Rule 15c2-12, the Bank:

(i) Represents and warrants that, if, after the date of this Bank Bonds Purchase Agreement and until twenty-five (25) days after the "end of the underwriting period", as such term is defined in Rule 15c2-12, any event shall occur, and be known to the Bank, as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances when the Official Statement is delivered to a purchaser, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, it will notify the Underwriter (and for the purposes of this subparagraph (i) of this subsection (d) to provide the Underwriter with such information as it may from time to time reasonably request), and it will forthwith prepare and furnish, at the expense of the City (in a form and manner reasonably acceptable to the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not, in light of the circumstances when the Official Statement is delivered to a purchaser, be misleading or so that the Official Statement will comply with all applicable laws and regulations; and

(ii) Represents and warrants that, at the time of the Bank's acceptance hereof, and unless an event of the nature described in subparagraph (i) of this subsection (d) occurs, at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the end of the underwriting period, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and

(iii) Represents and warrants that, if the Official Statement is supplemented or amended pursuant to subparagraph (i) of this subsection (d), at the time of each supplement or amendment thereto and (unless an event of the nature described in subparagraph (i) of this subsection (d) subsequently occurs) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the end of the underwriting period, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and

(iv) Unless otherwise notified in writing by the Underwriter by the date of Closing, the Bank can assume that the "end of the underwriting period" for purposes of Rule 15c2-12 is the Closing. In the event such notice is so given in writing by the Underwriter, the Underwriter agrees to notify the Bank in writing following the occurrence of the "end of the underwriting period" as defined in Rule 15c2-12. The "end of the underwriting period" as used in this Bank Bonds Purchase Agreement shall mean

the date of Closing or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

6. **Closing.** The Bank will deliver the Bonds by delivery thereof to Cede & Co., as nominee of The Depository Trust Company ("DTC") as directed by the Underwriter against payment of the purchase price therefore by wire transfer of immediately available funds to the Trustee at or prior to 9:00 o'clock a.m., Central Time, on _____, 20____, or such other place, time or date as shall be mutually agreed upon by the Bank and the Underwriter. The Bonds will be delivered in fully registered form in such denominations and registered to such persons as the Underwriter shall request at least three (3) days prior to the date of the Closing. The Bonds may be in printed, engraved, typewritten, or photocopied form and each such form shall constitute "definitive form." The legal documents required by this Bank Bonds Purchase Agreement and the Official Statement shall be delivered to the parties hereto at the offices of Jones Walker LLP, Jackson, Mississippi, Bond Counsel ("Bond Counsel") on such date or such other date corresponding with the payment for and delivery of the Bonds, and contemporaneously with such payment and delivery.

7. **Closing Conditions.** The Underwriter has entered into this Bank Bonds Purchase Agreement in reliance upon the representations, warranties, and agreements of the Bank and the City contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Bank and the City of their obligations hereunder, both as of the date hereof and as of the date of Closing. Accordingly, the Underwriter's obligations under this Bank Bonds Purchase Agreement to purchase and pay for the Bonds shall be subject to the performance by the Bank and the City of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The representations and warranties of the Bank and the City contained herein shall be true, complete, and correct as of the date hereof, and on and as of the date of Closing, with the same effect as if made on the date of Closing.

(b) At the time of the Closing, the Indenture, the Qualified Obligation Purchase Agreement, the Qualified Obligation, and the Authorizing Resolutions shall be in full force and effect, and shall not have been amended, modified, or supplemented, and the Official Statement shall not have been amended, modified, or supplemented, except as may have been agreed to by the Underwriter.

(c) At the time of Closing, all official action of the Bank and the City relating to this Bank Bonds Purchase Agreement, the Indenture, the Bonds, the Authorizing Resolutions, the Qualified Obligation, and the Qualified Obligation Purchase Agreement shall be in full force and effect and shall not have been amended, modified, or supplemented, except as may have been agreed to by the Underwriter.

(d) The Bank and the City shall not have, subsequent to the date hereof and prior to Closing, failed to pay principal or interest when due on any of their obligations for money borrowed wherein such failure, if any, would have a material adverse impact on their ability to perform in accordance with this Bank Bonds Purchase Agreement, the

Indenture, the Bonds, the Authorizing Resolutions, the Qualified Obligation, or the Qualified Obligation Purchase Agreement, except as set forth in the Official Statement.

(e) The Underwriter shall have the right to terminate its obligations under this Bank Bonds Purchase Agreement to purchase and pay for the Bonds by notifying the Bank and the City of its election to do so if, after the execution hereof and prior to the Closing: (i) legislation shall have been introduced in or enacted by the Congress of the United States of America or enacted by the State, or legislation pending in the Congress of the United States of America shall have been amended, or a decision shall have been rendered by a court of the United States of America or the State, including the Tax Court of the United States of America, or a ruling shall have been made or a regulation shall have been proposed or made, or a press release or other form of notice shall have been issued by the Treasury Department of the United States of America or the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the State or by a similar body, or upon interest on the Bonds or obligations of the general character of the Bonds which may have the purpose or effect, directly or indirectly, of affecting the tax status of the Bank and the City, the Bank's property or income, its securities (including the Bonds), or the interest thereon, or any tax exemption granted or authorized by the Act, in the sole reasonable opinion of the Underwriter, affects materially and adversely the market for the Bonds, or the market price generally of obligations of the general character of the Bonds; (ii) the outbreak or escalation of hostilities involving the United States of America or the declaration by the United States of America of a national emergency or war, if the effect of any such event specified in this clause (ii) in the reasonable judgment of the Underwriter makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Official Statement; (iii) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States of America, New York State, or State authorities; (iv) there shall have been issued a stop order, ruling, or regulation affecting the validity or tax exempt status of the Bonds by the Securities and Exchange Commission; or (v) an event described in subsection (d) of Paragraph 5 hereof occurs which, in the reasonable opinion of the Underwriter, requires or has required the preparation and distribution of a supplement or amendment to the Official Statement and which in the reasonable opinion of the Underwriter affects materially and adversely the market for the Bonds.

(f) At or prior to the Closing, the Underwriter shall have received each of the following documents:

(i) The Official Statement, together with any supplements or amendments to the Official Statement in the event that the Official Statement has been supplemented or amended, executed on behalf of the Bank by the Executive Director of the Bank;

(ii) A copy of the Bank Resolution certified as of the date of the Closing by the Secretary (the "Secretary") or the Assistant Secretary (the "Assistant Secretary") of the Bank as having been duly adopted by the Board and as being in effect, with such

amendments, modifications, and supplements as may have been agreed to by the Underwriter;

(iii) A copy of the Municipality Resolution certified as of the date of the Closing by the Clerk as having been duly adopted by the Governing Body and as being in effect, with such amendments, modifications, and supplements as may have been agreed to by the Underwriter;

(iv) Executed copies of the Indenture, the Qualified Obligation, the Qualified Obligation Purchase Agreement, and the Continuing Disclosure Agreement, with such amendments, modifications, and supplements as may have been agreed to by the Underwriter;

(v) The unqualified opinion, dated the date of the Closing, of Bond Counsel in substantially the form attached to the Preliminary Official Statement and incorporated herein by this reference thereto, and a letter from such Bond Counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter;

(vi) An opinion, dated the date of the Closing and addressed to the Underwriter, of Counsel to the Bank (the "Bank's Counsel"), to the effect that (A) the Bank and the Board are duly organized and existing under the laws of the State, including the Bank Act; (B) the Bank Resolution has been duly adopted by the Board on behalf of the Bank which has full power and authority to perform its obligations thereunder; (C) this Bank Bonds Purchase Agreement, the Bonds, the Qualified Obligation Purchase Agreement, and the Indenture have been duly authorized, executed, and delivered, or accepted, by the Board on behalf of the Bank; (D) the Bank Resolution, the Bonds, this Bank Bonds Purchase Agreement, and the Indenture constitute, assuming the valid authorization, execution and delivery by the other parties thereto, legal and binding obligations of the Bank, enforceable in accordance with their respective terms, subject to (1) applicable bankruptcy, insolvency, or other similar laws of the State or federal government affecting the enforcement of creditors' rights generally, and (2) the fact that specific performance and other equitable remedies are granted only in the discretion of a court; (E) neither the execution, delivery, nor performance by the Bank of this Bank Bonds Purchase Agreement, the Bonds, the Qualified Obligation Purchase Agreement, or the Indenture conflicts with or results in a breach of the terms or provisions of the Constitution of the State or any State law, including the Act; (F) all consents, approvals, and other action required by any governmental authority or agency in connection with the execution, delivery, and performance, or acceptance of, by the Bank of this Bank Bonds Purchase Agreement, the Bonds, the Qualified Obligation Purchase Agreement, and the Indenture have been obtained or accomplished; (G) the Board on behalf of the Bank has duly approved the form of and authorized the use by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds by the Underwriter; (H) the Bonds, the Indenture, the Qualified Obligation Purchase Agreement, and the Bank Resolution conform as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement; and (I)

without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (except for financial statements and other financial and statistical data and "TAX MATTERS" or **Appendices A and B**, included therein, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Official Statement, as the same may have been amended or supplemented to the date of the Closing pursuant to subsection (d) of Paragraph 5 hereof (except as aforesaid), as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(vii) An opinion, dated the date of the Closing and addressed to the Underwriter, of Christopher J. Latimer, Mitchell, McNutt & Sams, P.A., as Counsel to the City (the "City's Counsel"), to the effect that (A) the City and the Governing Body are duly organized and existing under the laws of the State; (B) the Municipality Resolution has been duly adopted by the Governing Body on behalf of the City which has full power and authority to perform its obligations thereunder; (C) this Bank Bonds Purchase Agreement, the Qualified Obligation, the Qualified Obligation Purchase Agreement, and the Continuing Disclosure Agreement have been duly authorized, executed, and delivered, or approved, by the Governing Body on behalf of the City; (D) the Qualified Obligation, the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, and the Municipality Resolution constitute, assuming the valid authorization, execution, and delivery by the other parties thereto, if any, legal and binding obligations of the City, enforceable in accordance with their respective terms, subject to (1) applicable bankruptcy, insolvency or other similar laws of the State or federal government affecting the enforcement of creditors' rights generally, and (2) the fact that specific performance and other equitable remedies are granted only in the discretion of a court; (E) neither the execution, delivery, nor performance by the City of this Bank Bonds Purchase Agreement, the Qualified Obligation, the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, or the Municipality Resolution conflicts with or results in a breach of the terms or provisions of the Constitution of the State or any State law; (F) all consents, approvals, and other action required by any governmental authority or agency in connection with the execution, delivery, and performance by the City of this Bank Bonds Purchase Agreement, the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, and the Qualified Obligation have been obtained or accomplished; (G) the Qualified Obligation, the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, and the Municipality Resolution conform as to form and tenor with the terms and provisions thereof as summarized and set out in the Official Statement; and (H) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, he has no reason to believe that, as of the date of the Closing, the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein in connection with the City, the Municipality Resolution, the Qualified

Obligation, the Qualified Obligation Purchase Agreement, and the Continuing Disclosure Agreement, in the light of the circumstances under which they were made, not misleading, or that the Official Statement, as the same may have been amended or supplemented to the date of the Closing pursuant to subsection (d) of Paragraph 5 hereof (except as aforesaid), as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein in connection with the City, the Municipality Resolution, the Qualified Obligation, the Qualified Obligation Purchase Agreement, and the Continuing Disclosure Agreement, in the light of the circumstances under which they were made, not misleading;

(viii) The opinion, dated the date of the Closing and addressed to the Underwriter, of Bond Counsel to the effect that: (A) the Bonds constitute exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and it is not necessary, in connection with the public offering and sale of the Bonds, to register the Bonds under said Securities Act or to qualify the Indenture under the Trust Indenture Act of 1939; (B) without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (except for financial statements and other financial and statistical data or **Appendices A and B** included therein, as to which no view need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Official Statement, as the same may have been amended or supplemented to the date of the Closing pursuant to subsection (d) of Paragraph 5 hereof (except as aforesaid), as of the date of the Closing contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (C) the Continuing Disclosure Agreement satisfies Section (b)(5)(i) of Rule 15c2-12, which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices to various information repositories at the time and in the manner required by Rule 15c2-12;

(ix) A certificate, dated the date of the Closing and signed by the Executive Director and Secretary of the Bank to the effect that: (A) the representations and warranties of the Bank contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (B) no summons or complaint or any other notice or document has been served upon or delivered to the Bank or any of their officers or employees relating to any litigation, and there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, pending or, to the best of their knowledge, threatened against the Bank or the Board, affecting the existence of the Bank or the Board, or the titles of their officers to their respective offices, or seeking to prohibit, restrain, or enjoin the issuance, sale, or delivery of the Bonds, or in any way contesting or affecting the tax exempt status of the interest on the Bonds or the validity or enforceability of the Bonds, the Bank Resolution, the Qualified Obligation Purchase

Agreement, the Indenture, or this Bank Bonds Purchase Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Bank, the Board, or any authority for the issuance of the Bonds, the adoption of the Bank Resolution, or the execution or acceptance of this Bank Bonds Purchase Agreement, the Qualified Obligation Purchase Agreement, and the Indenture, nor is there any controversy or litigation pending or, to the best of their knowledge, threatened, nor to the best of their knowledge is there any basis therefor, wherein any unfavorable decision, ruling, or finding would materially adversely affect the tax exempt status of the interest on the Bonds or the validity or enforceability of the Bonds, the Bank Resolution, the Qualified Obligation Purchase Agreement, the Indenture, or this Bank Bonds Purchase Agreement (but in lieu of or in conjunction with such certificate the Underwriter may, in their sole discretion, accept certificates or opinions of the Bank's Counsel, that in its opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (C) to the best of their knowledge, no event affecting the Bank has occurred since the date of the Official Statement that should be disclosed in the Official Statement, as the same may be supplemented or amended, in order that the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (D) the Bank has complied with all the agreements and satisfied all the conditions on their respective parts to be performed or satisfied at or prior to the Closing;

(x) A certificate, dated the date of the Closing and signed by the Mayor and the Clerk to the effect that (A) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (B) no summons or complaint or any other notice or document has been served upon or delivered to the City or any of their officers or employees relating to any litigation, and there is no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, pending or, to the best of their knowledge, threatened against the City or the Governing Body, affecting the existence of the City or the Governing Body, or the titles of their officers to their respective offices, or seeking to prohibit, restrain, or enjoin the execution or delivery of the Qualified Obligation, the Qualified Obligation Purchase Agreement, or in any way contesting or affecting the tax exempt status of the interest on the Bonds or the validity or enforceability of the Qualified Obligation, the Municipality Resolution, the Qualified Obligation Purchase Agreement, the Continuing Disclosure Agreement, or this Bank Bonds Purchase Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the City, the Governing Body, or any authority for the delivery of the Qualified Obligation, the Qualified Obligation Purchase Agreement, the adoption of the Municipality Resolution, or the execution or approval of this Bank Bonds Purchase Agreement, the Continuing Disclosure Agreement, and the Qualified Obligation Purchase Agreement, nor is any controversy or litigation pending or, to the best of their knowledge, threatened, nor to the best of their knowledge is there any basis therefor wherein any unfavorable decision, ruling, or finding would materially adversely affect the validity or enforceability of the Qualified Obligation, the Qualified Obligation Purchase Agreement, the Municipality

Resolution, the Continuing Disclosure Agreement, or this Bank Bonds Purchase Agreement (but in lieu of or in conjunction with such certificate the Underwriter may, in its sole discretion, accept certificates or opinions of the City's Counsel, that in its opinion the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (C) to the best of their knowledge, no event affecting the City or Governing Body has occurred since the date of the Official Statement that should be disclosed in the Official Statement, as the same may be supplemented or amended, in order that the Official Statement shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (D) the City and the Governing Body have complied with all the agreements and satisfied all the conditions on their respective parts to be performed or satisfied at or prior to the Closing;

(xi) A certificate or agreement, dated the date of Closing, signed by the Executive Director of the Bank, in a form acceptable to Bond Counsel and the Underwriter with respect to the compliance by the Bank with applicable arbitrage and other applicable requirements of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder (hereinafter called the "Code"), to support the conclusion that the Bonds will not be "arbitrage bonds" under the Code;

(xii) A certificate or agreement, dated the date of Closing, signed by the Mayor, in a form acceptable to Bond Counsel and the Underwriter with respect to the compliance by the City with applicable arbitrage and other applicable requirements of the Code to support the conclusion that the Bonds will not be "arbitrage bonds" under the Code;

(xiii) The unqualified final decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, validating the Bonds, in customary form;

(xiv) A certified copy of a transcript of all proceedings taken by the Bank relating to the authorization and issuance of the Bonds and the execution and delivery of the Indenture, this Bank Bonds Purchase Agreement, the Qualified Obligation, and the Qualified Obligation Purchase Agreement;

(xv) A certified copy of a transcript of all proceedings taken by the City and relating to the authorization of the Qualified Obligation, the Qualified Obligation Purchase Agreement, and the execution and delivery of this Bank Bonds Purchase Agreement, the Continuing Disclosure Agreement, the Qualified Obligation, and the Qualified Obligation Purchase Agreement;

(xvi) The Underwriter shall have received a certificate, dated the date of Closing and signed by an authorized officer of the Trustee, to the effect that: (A) such officer is an authorized officer of the Trustee, (B) the Indenture and the Continuing Disclosure Agreement have been duly executed and delivered by the Trustee, (C) the Trustee has all necessary corporate and trust powers required to carry out the trust created by the Indenture, (D) to the best of such officer's knowledge, the acceptance by the Trustee of the duties and obligations of the Trustee under the Indenture and the

Continuing Disclosure Agreement and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree, or any agreement or other instrument to which the Trustee is subject or by which the Trustee is bound, and (E) the Trustee has duly authenticated the Bonds, and the person signing the certificate of authentication on each Bond has been duly authorized to do so;

(xvii) A certificate, dated the date of the Closing, signed by the Executive Director and the Secretary or the Assistant Secretary of the Bank, certifying that on the date of the execution of the certificate: (A) they are the duly chosen, qualified, and acting officers of the Bank occupying the offices indicated opposite their names, (B) the members of the Board at all times relevant to the issuance and sale of the Bonds are as set forth therein, (C) the Executive Director and the Secretary or the Assistant Secretary of the Bank have executed the Bonds by causing their signatures to be affixed to each Bond, (D) they do thereby recognize the said signatures as their true and lawful signatures, and (E) further certifying that the seal, which is imprinted on each of said Bonds and on such certificate, is the official seal of the Bank;

(xviii) A certificate, dated the date of the Closing, signed by the Mayor and the Clerk, certifying that on the date of the execution of the certificate (A) they are the duly chosen, qualified, and acting officers of the City occupying the offices indicated opposite their names, (B) the members of the Governing Body at all times relevant to the execution and delivery of the Qualified Obligation, the Qualified Obligation Purchase Agreement, and the issuance thereof, are as set forth therein, (C) the Mayor and the Clerk have executed the Qualified Obligation, the Qualified Obligation Purchase Agreement, and this Bank Bonds Purchase Agreement by causing their signatures to be affixed to the Qualified Obligation, the Qualified Obligation Purchase Agreement, and this Bank Bonds Purchase Agreement, (D) they do thereby recognize the said signatures as their true and lawful signatures, and (E) further certifying that the seal which is imprinted on the Qualified Obligation, the Qualified Obligation Purchase Agreement, and on such certificate, is the official seal of the City;

(xix) A certificate, dated the date of the Closing, signed by the Executive Director and the Secretary or the Assistant Secretary of the Bank, to the effect that nothing has come to their attention which would lead them to believe that the Official Statement, as of its date and as of the date of the Closing, contains any untrue statement of a material fact or omits to state any material fact which should be included therein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and in providing such certificate, the Executive Director and the Secretary or the Assistant Secretary of the Bank may state that they have not undertaken to independently verify information outlined or derived from the various publications or other similar sources as presented therein;

(xx) A certificate, dated the date of the Closing, signed by the Mayor and the Clerk, to the effect that nothing has come to their attention that would lead them to believe that the Official Statement, as of its date and as of the date of the Closing,

contains any untrue statement of a material fact or omits to state any material fact that should be included therein for the purpose for which the Official Statement is to be used, or which is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and in providing such certificate, the Mayor and the Clerk may state that they have not undertaken to independently verify information outlined or derived from the various publications or other similar sources as presented therein;

(xxi) [On or before the date of the Closing, evidence that there shall be in effect an insured rating of "___" and an underlying rating of "___" by Moody's Investors Service, Inc. Letters of confirmation of such ratings shall be made available at the Closing;]

(xxii) A copy of the Blanket Letter of Representation to DTC from the Bank;

(xxiii) Evidence satisfactory to the Underwriter of the filing of any financing statement necessary to perfect (to the extent perfection can be obtained by filing) a security interest in favor of the Trustee in the Trust Estate (as defined in the Indenture);

(xxiv) To the extent not otherwise included herein, a copy of each of the documents described in Section 2.04 of the Indenture; and

(xxv) Such additional legal opinions, certificates, instruments, and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations and warranties contained herein and of the statements and information of the Bank and the City contained in the Official Statement and the due performance or satisfaction by the Bank and the City at or prior to the date of the Closing of all agreements then to be performed and all the conditions then to be satisfied by the Bank and the City.

All the opinions, letters, certificates, instruments, and other documents mentioned above or elsewhere in this Bank Bonds Purchase Agreement shall be deemed to be in compliance with the provisions hereof but only if they are delivered to the Underwriter in form and substance satisfactory to the Underwriter.

If the Bank and the City, in good faith, shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bank Bonds Purchase Agreement (unless the Underwriter waives and/or consents to the inability to satisfy such conditions), or if such obligations of the Underwriter shall be terminated for any reason permitted by this Bank Bonds Purchase Agreement, this Bank Bonds Purchase Agreement shall terminate and neither the Underwriter, nor the Bank, nor the City shall be under further obligation hereunder.

8. **Expenses.** Expenses incident to the performance of the obligations of the Bank and the City hereunder shall be paid from the proceeds of the Bonds and include but are not limited to: (a) the cost of the preparation of the Indenture, the Qualified Obligation Purchase Agreement, the Qualified Obligation, the Authorizing Resolutions, the Preliminary Official Statement, and the Official Statement; (b) the cost of the preparation and printing of the definitive Bonds; (c) the fees and disbursements of Bond Counsel and City's Counsel; (d) the

fees and disbursements of the Bank's Counsel and experts, the City's independent registered municipal advisor, Government Consultants, Inc., Madison, Mississippi (the "Municipal Advisor"), or consultants retained by the Bank or the City; (e) fees for bond ratings, if any; (f) the cost of preparation and printing of the Preliminary Official Statement and the Official Statement in sufficient quantity (but not to exceed 150 copies) to permit the Underwriter to comply with the requirements of Rule 15c2-12; and (g) the cost of the preparation of this Bank Bonds Purchase Agreement. Neither the Bank nor the City shall be required to pay any such costs or to reimburse any party for any such expenses other than from the proceeds of the Bonds. Except as provided in this Paragraph 8, the Underwriter shall pay: (h) all advertising expenses in connection with the public offering of the Bonds; (i) the cost of any copies of the Official Statement in excess of said copy limitations; and (j) all other expenses incurred by it in connection with its public offering and distribution of the Bonds. The City shall pay for expenses (included in the expense component of the spread) incurred on behalf of City's employees which are incidental to implementing this Bank Bonds Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees.

9. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Bank in establishing the issue price of the Bonds and shall execute and deliver to the Bank at the Closing (as hereinafter defined) an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form acceptable to Bond Counsel, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter and the Bank, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Bank under this section to establish the issue price of the Bonds may be taken on behalf of the Bank by the Municipal Advisor, and any notice or report to be provided to the Bank may be provided to the Municipal Advisor.

(b) Except as otherwise set forth in **Exhibit A** hereto, the Bank will treat the first price at which 10% of each maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Agreement, the Underwriter shall report to the Bank the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Bank the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in **Exhibit A** hereto, except as otherwise set forth therein. **Exhibit A** also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Bank and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Bank to treat the initial offering price to the public of each such maturity as of the date of execution of this

Agreement by all parties (the “Sale Date”) as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter shall promptly advise the Bank when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Bank acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on the following: (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Bank further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for the purposes of this section:

- (1) “public” means any person other than an Underwriter or a related party; and
- (2) “Underwriter” means (A) any person that agrees pursuant to a written contract with the Bank (or with the lead Underwriter to form an

underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this Section 9(e)2 to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public); and

(3) a purchaser of any of the Bonds is a “related party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are Banks (including direct ownership by one Bank of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the Bank or the capital interests or profit interests of the partnership, as applicable, if one entity is a Bank and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(4) “Sale Date” means the date of execution of this Agreement by all parties.

(f) It will be a condition of the Bank's obligation to sell and deliver the Bonds to the Underwriter, and the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire aggregate principal amount of the Bonds must be sold and delivered by the Bank and accepted and paid for by the Underwriter on the Closing.

10. **Indemnification.** If and to the extent permitted by State law, the Bank and the City agree to indemnify the Underwriter (or any person who controls the Underwriter within the meaning of the Securities Act of 1933, as amended) and hold the Underwriter harmless against any loss, damage, claim, liability, or expense (including reasonable cost of defense) arising out of or based upon any allegation that any of the information contained in the Preliminary Official Statement includes any untrue statement of a material fact or omits to state any material fact necessary in order to make statements therein in the light of the circumstances under which they were made not misleading, and will reimburse the Underwriter for any legal or other expenses reasonably incurred by them in investigating, defending, or preparing to defend any such action or claim. The indemnity agreement in this paragraph shall be in addition to any liability that the Bank and/or the City may otherwise have to the Underwriter and shall extend upon the same terms and conditions to the officers, directors, agents, or employees of the Underwriter and to each person, if any, who controls the Underwriter within the meaning of the Securities Act of 1933, as amended. Promptly after receipt by the Underwriter of notice of the commencement of any action, the Underwriter shall, if a claim in respect thereof is to be made against the Bank and/or the City under this paragraph, notify the Bank and the City in writing of the commencement thereof, but the omission so to notify the Bank and the City shall not relieve the Bank and/or the City from any liability which it may have to the Underwriter otherwise than under this paragraph. In case any such action shall be brought against the Underwriter and the Underwriter shall notify the Bank and the City of the commencement thereof, the Bank and/or

the City shall be entitled to participate therein and, to the extent that one or both wish, to assume the defense thereof, with counsel reasonably satisfactory to such Underwriter and after notice from the Bank and/or the City to the Underwriter of their election so to assume the defense thereof, the Bank and/or the City shall not be liable to the Underwriter under this paragraph for any legal or other expenses subsequently incurred by such Underwriter in connection with the defense thereof other than reasonable out-of-pocket costs of any investigation; provided, however, that if the named parties to any such action (including any impleaded parties) include the Underwriter (or its officers, directors, agents, or employees, or any person so controlling the Underwriter), the Bank and/or the City, and the Underwriter (or such officers, directors, agents, or employees or any person so controlling the Underwriter) shall have reasonably concluded that there may be one or more legal defenses available to it which are different from or additional to those available to the Bank or the City, the Underwriter (or such officers, directors, agents, or employees or such person so controlling the Underwriter) shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of the Underwriter (or such officers, directors, agents, or employees or such person so controlling the Underwriter), and in such event the said fees and expenses of the Underwriter in defending such action shall be borne by the Bank and/or the City.

11. **Notices.** Any notice or other communication to be given to the Bank and the City under this Bank Bonds Purchase Agreement may be given by delivering the same in writing at the addresses set forth above and any notice or other communication to be given to the Underwriter under this Bank Bonds Purchase Agreement may be given by delivering the same in writing to Raymond James & Associates, Inc., 50 North Front Street, Memphis, Tennessee, 38103, Attention: Lindsey Rea.

12. **Parties in Interest.** This Bank Bonds Purchase Agreement is made solely for the benefit of the Bank, the City, and the Underwriter (including the successors or assigns of the Underwriter), and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties, and agreements of the Bank, the City, and the Underwriter contained in this Bank Bonds Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriter, the Bank, and the City; (b) delivery of any payment for the Bonds hereunder; and (c) any termination of this Bank Bonds Purchase Agreement.

13. **Governing Law.** This Bank Bonds Purchase Agreement shall be governed by, and construed in accordance with, the laws of the State. This Bank Bonds Purchase Agreement shall become effective upon the execution of the acceptance hereof by duly authorized officers of the Bank and the City and shall be valid and enforceable as of the time of such acceptance.

14. **Counterparts.** This Bank Bonds Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

15. **Entire Agreement.** This Bank Bonds Purchase Agreement, when accepted by the Bank and the City in writing as heretofore specified, shall constitute the entire agreement among the parties hereto with respect to the offer and sale of the Bonds and the transactions related thereto, as set forth herein.

16. **Underwriter has No Advisory or Fiduciary Role.** The Bank and the City acknowledge and agree that:

(a) The primary role of the Underwriter is to purchase securities, for resale to investors, in an arm's length commercial transaction between the Bank and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Bank and the City; and

(b) The Underwriter is not acting as a municipal advisor or fiduciary to the Bank or the City and has not assumed any advisory or fiduciary responsibility to the Bank or the City with respect to the transaction contemplated by this Bank Bonds Purchase Agreement and the discussions, undertakings, and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Bank or the City on other matters); and

(c) The only obligations the Underwriter has to the Bank and the City with respect to the transaction contemplated hereby are expressly set forth in this Bank Bonds Purchase Agreement; and

(d) The Bank and the City have consulted their own financial and/or municipal, legal, accounting, tax, and other advisors, as applicable, to the extent they deem appropriate. If the Bank would like a municipal advisor in this transaction that has legal fiduciary duties to the Bank, then the Bank is free to engage a municipal advisor to serve in that capacity. As defined hereinbefore, the City has employed Government Consultants, Inc., Madison, Mississippi, as Municipal Advisor.

[The remainder of this page left blank intentionally.]

If you agree with the foregoing, please sign this Bank Bonds Purchase Agreement in the space provided below and return one copy so executed to each of the Underwriter, the Bank, and the City, whereby this Bank Bonds Purchase Agreement shall then become a binding agreement among the Underwriter, the Bank, and the City.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.,
as Underwriter

By: _____

Title: _____

Date: _____

ACCEPTED:

This the _____ day of _____, 20____.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

ACCEPTED:

This the _____ day of _____, 20____

CITY OF STARKVILLE, MISSISSIPPI

By: _____
Mayor

EXHIBIT A

MATURITY SCHEDULE

SERIAL BONDS

Date of Maturity (_____ 1)	Principal <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
-------------------------------	----------------------------	----------------------	--------------	--------------

TERM BOND

\$_____ @ _____% due _____ 1, 20____, Priced to Yield _____% @ _____*

* Priced to the par call date of _____ 1, 20____.

REDEMPTION PROVISIONS

If the City directs the Bank to redeem the Bonds pursuant to the Indenture, the Bank agrees to accept redemption and redeem the Bonds in the following instances:

Optional Redemption. The Bonds (or any portions thereof in integral multiples of \$5,000) maturing on or after _____ 1, 20____, are subject to redemption, prior to their stated dates of maturity, in whole or in part, in principal amounts and maturities selected by the Bank on any date on or after _____ 1, 20____, at par, plus accrued interest to the date of redemption.

Notice of Redemption. Notice of the call for any redemption, identifying the Bonds to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by registered or certified mail at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption to the Underwriter and to the registered owner of each Bond to be redeemed at the address shown on the Bond Register. Failure to give such notice by mailing to any Bondholder or any defect in such notice, shall not affect the validity of any proceeding for the redemption of any other Bonds.

Redemption Payments. Prior to the date fixed for redemption, there must be on deposit with the Trustee sufficient funds to pay the Redemption Price (as defined in the Indenture) of the Bonds called, together with accrued interest on the Bonds to the Redemption Date (as defined in the Indenture). After the Redemption Date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Bonds that have been called for redemption.

Mandatory Sinking Fund Redemption of the Bonds. The Bonds maturing on _____ 1, 20____, are term bonds subject to mandatory sinking fund redemption prior to their scheduled maturities on _____ 1 of the years listed below at a redemption price of one hundred percent (100%) of the principal amount redeemed plus accrued interest to the redemption date in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
20____	
20____*	

*Final maturity.

EXHIBIT B

DEEMED FINAL CERTIFICATE

Rule 15c2-12 Certificate of the Bank and the City

The undersigned hereby certify to Raymond James & Associates, Inc., Memphis, Tennessee (the "Underwriter"), that they are authorized to execute and deliver this Certificate and further certify on behalf of the Bank and the City:

This Certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12, as amended, under the Securities Exchange Act of 1934 (the "Rule") in connection with the offering and sale of the Bank's _____ principal amount of the Bank's Special Obligation Bonds, Series 2018 (Starkville, Mississippi, General Obligation Public Improvement Project) (the "Bonds").

In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated _____, 20____, setting forth information concerning the Bonds, the Bank and the City and certain other matters (the "Preliminary Official Statement").

As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings (if any), and other terms of the Bonds depending on such matters.

The information contained in the Preliminary Official Statement is final within the meaning of the Rule as of its date except for the Permitted Omissions.

To the best of the knowledge of the Bank and the City, the information contained in the Preliminary Official Statement pertaining to the Bank and the City does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made in the Preliminary Official Statement, in the light of the circumstances under which they were made, not misleading.

If, at any time before the earlier of (1) receipt of notice from the Underwriter that Final Official Statements (as defined in the Rule) with respect to the Bonds are no longer required to be delivered under the Rule or (2) ninety (90) days after the underwriting period of the Bonds by the Underwriter, any event occurs as a result of which the information contained in the Final Official Statement would no longer be true and correct or would no longer be the most recently available information, the Bank or the City shall promptly notify the Underwriter of such event or shall update such information so that it is the most recent available and provide such updated information to the Underwriter.

IN WITNESS WHEREOF, we have hereunto set our hands to be effective this the
_____ day of _____, 20____.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

CITY OF STARKVILLE, MISSISSIPPI

By: _____
Mayor

EXHIBIT C

PRELIMINARY OFFICIAL STATEMENT

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE/BOOK- ENTRY-ONLY

RATINGS:
Insured Ratings: _____
Underlying Rating: Moody's: _____
(See "Ratings" and "Bond Insurance" herein)

In the opinion of Bond Counsel (as defined herein), under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2018 Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code (as defined herein), and such interest is not a specific preference item for purposes of the federal alternative minimum tax except that, for tax years beginning before January 1, 2018, such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the federal alternative minimum taxable income of corporations. Bond Counsel is further of the opinion that under existing law, interest on the Series 2018 Bonds earned by the respective owners thereof is exempt from State of Mississippi income taxes. For a more complete description, see "TAX EXEMPTION".

\$ _____ *

MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2018
(STARKVILLE, MISSISSIPPI, GENERAL OBLIGATION PUBLIC IMPROVEMENT PROJECT)

Dated: Date of Delivery

DUE: _____ 1, as shown on inside cover

The Series 2018 Bonds will be dated the date of delivery, and will bear interest from that date to their respective maturities in the amounts and at the rates set forth below. The Series 2018 Bonds are issuable only as fully registered bonds and, when issued, will be registered in the name of CEDE & CO., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2018 Bonds will be made in book-entry-only form, in the denomination of \$5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Series 2018 Bonds will not receive physical delivery of certificates representing their interests in the Series 2018 Bonds. Interest on the Series 2018 Bonds is payable on _____ 1 and _____ 1 of each year, commencing _____ 1, 20____. So long as DTC or its nominee is the Registered Owner of the Series 2018 Bonds, interest, together with the principal of and redemption premium, if any, on the Series 2018 Bonds will be paid directly to DTC by _____, Trustee under the Indenture, all as defined and more fully described herein under the caption, "DESCRIPTION OF THE SERIES 2018 BONDS -- Book-Entry-Only System."

The Series 2018 Bonds are issued by the Mississippi Development Bank (the "Bank") for the principal purpose of providing funds (a) to finance the costs of the Authorized Purpose (as defined herein) and (b) for related purposes, including, without limitation, paying the costs of issuance for the Qualified Obligation and the Series 2018 Bonds, all as more fully described in this Official Statement.

The Series 2018 Bonds are subject to redemption as more fully described in this Official Statement under the caption "DESCRIPTION OF THE SERIES 2018 BONDS -- Redemption."

THE SERIES 2018 BONDS ARE LIMITED AND SPECIAL OBLIGATIONS PAYABLE SOLELY OUT OF THE REVENUES AND FUNDS OF THE BANK PLEDGED THEREFOR UNDER THE INDENTURE, INCLUDING THE QUALIFIED OBLIGATION AND PAYMENTS DERIVED THEREFROM, AS MORE FULLY DESCRIBED HEREIN. THE SERIES 2018 BONDS DO NOT CONSTITUTE A DEBT, LIABILITY, OR LOAN OF THE CREDIT OF THE BANK, THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MISSISSIPPI OR A PLEDGE OF THE FAITH, CREDIT, AND TAXING POWER OF THE STATE OF MISSISSIPPI OR ANY POLITICAL SUBDIVISION THEREOF, PROVIDED, HOWEVER, THAT THE QUALIFIED OBLIGATION IS SECURED BY THE FULL FAITH, CREDIT, AND TAXING POWER OF THE CITY. THE BANK HAS NO TAXING POWER. THE SOURCES OF PAYMENT OF, AND SECURITY FOR, THE SERIES 2018 BONDS ARE MORE FULLY DESCRIBED HEREIN.

The Series 2018 Bonds are offered subject to the final approval of the legality thereof by Jones Walker, LLP, Jackson, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the Bank by Balch & Bingham LLP, Jackson, Mississippi, its counsel, for the City by Christopher J. Latimer, Mitchell, McNutt & Sams, P.A., Oxford, Mississippi. Government Consultants, Inc. of Mississippi, Inc. serves as the Municipal Advisor to the City in connection with the sale and issuance of the Series 2018 Bonds. The Series 2018 Bonds are expected to be available in definitive form for delivery on or about _____, 20____.*

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. PROSPECTIVE INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

RAYMOND JAMES

*Preliminary, subject to change.

MATURITY SCHEDULE*

Maturity Date (_____1)	Principal <u>Amount</u>	Interest <u>Rate</u>	<u>Yield</u>	<u>CUSIP</u>¹
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				

*Preliminary, subject to change.

¹ CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard and Poor's CUSIP Service Bureau. A Division of McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services.

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE SERIES 2018 BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE SERIES 2018 BONDS BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE SERIES 2018 BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

INFORMATION HEREIN HAS BEEN OBTAINED FROM THE BANK, THE CITY, AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.

UPON ISSUANCE, THE SERIES 2018 BONDS WILL NOT BE REGISTERED BY THE BANK UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BANK (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2018 BONDS FOR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE SERIES 2018 BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2018 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

[THIS PAGE LEFT BLANK INTENTIONALLY]

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION.....	1
The Bank	1
Sources of Payment and Security for the Series 2018 Bonds	1
Purpose of the Series 2018 Bonds.....	2
Authority for Issuance.....	2
Description of the Series 2018 Bonds.....	3
Tax Exemption.....	3
Risks to the Owners of the Series 2018 Bonds	3
Other Information	4
Format of Official Statement	4
SECURITY AND SOURCES OF PAYMENT FOR THE Series 2018 Bonds.....	5
General	5
The Qualified Obligation	5
Provisions for Payment of the Qualified Obligation Payments	5
RISKS TO THE OWNERS OF THE Series 2018 Bonds.....	7
General	7
Qualified Obligation Payments	7
Tax Covenants.....	7
Remedies.....	8
Certain Bankruptcy Risks	8
DESCRIPTION OF THE Series 2018 Bonds	9
General Description	9
Book-Entry-Only System.....	10
Redemption	13
APPLICATION OF THE PROCEEDS OF THE Series 2018 Bonds	14
Sources of Funds.....	14
Uses of Funds.....	14
THE MISSISSIPPI DEVELOPMENT BANK.....	14
General	14
Organization and Membership of the Bank	14
Prior Bonds of Bank.....	15
REVENUES, FUNDS AND ACCOUNTS.....	15
Creation of Funds and Accounts.....	15

Revenues and Other Receipts	16
OPERATION OF FUNDS AND ACCOUNTS.....	16
General Fund.....	16
Rebate Fund	17
Amounts Remaining in Funds.....	18
Investment of Funds.....	18
THE INDENTURE	19
Provisions for Issuance of Refunding Bonds	19
Mutilated, Lost, Stolen or Destroyed Bonds.....	20
Registration, Transfer and Exchange of Bonds; Persons Treated as Owners	20
Non Presentment of Bonds	21
Limitations on Obligations of Bank	21
Other Obligations Payable from Revenues	22
Payments of Principal and Interest	22
Performance of Covenants by the Bank	22
Discharge of Indenture	23
Defaults; Events of Default.....	24
Remedies: Rights of Bondholders.....	25
Rights of Bondholders to Direct Proceedings.....	26
Application of Moneys.....	27
Remedies Vested in the Trustee	28
Rights and Remedies of Bondholders	28
Waivers of Events of Default	29
Supplemental Indentures Not Requiring Consent of Bondholders	29
Supplemental Indentures Requiring Consent of Bondholders	30
THE QUALIFIED OBLIGATION	31
General	31
Application of Qualified Obligation Proceeds.....	31
Payments Under the Qualified Obligation	32
Additional Charges	33
City's Obligations Unconditional	34
Assignment of Bank's Rights	34
Agreement Withholding City Monies to Satisfy Delinquent Payments	34
Covenants in Bond Documents.....	36
Conduct of Governmental Operations	36
Payment of Indebtedness	36
Covenant for the Benefit of the Trustee and the Bondholders.....	36
Tax Covenants.....	36
Prepayment of the Qualified Obligation and Termination of the Qualified Obligation	37
Direction of Investments.....	38
Events of Default	38
Remedies.....	39

THE SERIES 2018 BONDS AS LEGAL INVESTMENTS	40
LITIGATION.....	40
TAX TREATMENT OF ORIGINAL ISSUES DISCOUNT	40
TAX TREATMENT OF ORIGINAL ISSUE PREMIUM.....	41
TAX MATTERS.....	41
LEGAL MATTERS.....	43
RATINGS	43
BOND INSURANCE.....	44
CONTINUING DISCLOSURE.....	46
MUNICIPAL ADVISOR.....	47
UNDERWRITING.....	47
VALIDATION.....	48
MISCELLANEOUS	48

APPENDIX A – ECONOMIC & DEMOGRAPHIC INFORMATION CONCERNING THE CITY

APPENDIX B - FINANCIAL INFORMATION OF THE CITY, INCLUDING AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 20__, AND THE BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018

APPENDIX C - FORM OF BOND COUNSEL OPINION

APPENDIX D - DEFINITIONS

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT

[APPENDIX F – SPECIMEN OF BOND INSURANCE POLICY]

OFFICIAL STATEMENT

\$_____*

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2018
(STARKVILLE, MISSISSIPPI,
GENERAL OBLIGATION PUBLIC IMPROVEMENT PROJECT)**

INTRODUCTION

The purpose of this Official Statement, including its Appendices, is to set forth certain information concerning the sale and issuance by the Mississippi Development Bank (the "Bank") of its Mississippi Development Bank Special Obligation Bonds, Series 2018 (Starkville, Mississippi, General Obligation Public Improvement Project) (the "Series 2018 Bonds"), issued in the aggregate principal amount of \$_____*.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and all appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement and such documents. The offering of the Series 2018 Bonds to potential investors is made only by means of the entire Official Statement.

The Bank

The Bank was established in 1986 as a separate body corporate and politic of the State (the "State") for the public purposes set forth under the provisions of Sections 31-25- 1 *et seq.*, Mississippi Code of 1972, as amended (the "Bank Act"). The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity, and has no taxing power. The Bank is governed by a Board of Directors composed of nine (9) members.

Pursuant to the Bank Act, the purpose of the Bank is to assist "local governmental units," as defined in the Bank Act to be (i) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (ii) the State or any agency thereof, (iii) the institutions of higher learning of the State, (iv) any education building corporation established for institutions of higher learning, or (v) any other governmental unit created under State law, such as the City, through programs of purchasing the bonds, notes, or other evidences of indebtedness of such local governmental units under agreements between such local governmental units and the Bank. The City of Starkville, Mississippi (the "City"), described in "APPENDIX A—ECONOMIC AND DEMOGRAPHIC INFORMATION CONCERNING THE CITY", is such a local governmental unit.

Sources of Payment and Security for the Series 2018 Bonds

The Series 2018 Bonds will be issued by and under and secured by an Indenture of Trust dated the date of delivery (the "Indenture"), by and between the Bank and _____ as Trustee (the "Trustee"). The principal of, redemption premium, if

any, and interest on any and all of the Series 2018 Bonds, together with any additional bonds or refunding bonds (the "Refunding Bonds") that may be authorized and issued by the Bank under the Indenture on a parity with the Series 2018 Bonds (collectively, the "Bonds"), are payable from those revenues and funds of the Bank which, together with the City's General Obligation Public Improvement Bond, Series 2018 (the "Qualified Obligation"), as more particularly described herein, are pledged pursuant to the Indenture for the benefit of the owners of the Bonds without priority.

The Bonds are limited and special obligations of the Bank and are payable solely out of the Trust Estate (as defined herein) pledged therefor under the Indenture, including the Qualified Obligation and payments derived therefrom, as more fully described herein. The Bonds do not constitute a debt, liability, or loan of the credit of the Bank, the State, or any political subdivision thereof under the constitution and laws of the State, or a pledge of the faith, credit, taxing power or moral obligation of the Bank, the State, or any political subdivision thereof.

The Qualified Obligation securing the Bonds is, however, a general obligation of the City, secured by the full faith, credit, and taxing power of the City.

The Series 2018 Bonds are secured by the pledge of the Trust Estate established under the Indenture (the "Trust Estate"), defined to be (i) all cash and securities in the funds and accounts established by the Indenture (except the Rebate Fund, as described herein) (the "Funds" and "Accounts") and the investment earnings thereon and all proceeds thereof, (ii) the Qualified Obligation and payments due thereunder and the earnings thereon and the proceeds thereof, and (iii) all other funds, accounts, and moneys hereinafter pledged to the Trustee as security for the Series 2018 Bonds by the Bank. All Series 2018 Bonds will be secured equally and ratably by all of the foregoing. The sources of payment for the Series 2018 Bonds are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS."

The Qualified Obligation is being issued pursuant to Section 21-33-301 et seq., Mississippi Code of 1972, as amended (the "Municipal Improvements Act" and together with the Bank Act, the "Act"). The Qualified Obligation is scheduled to be purchased by the Bank with the proceeds of the Bonds. The sources of payment for the Qualified Obligation are further described under the caption "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS".

Purpose of the Series 2018 Bonds

The Series 2018 Bonds are issued by the Bank for the principal purpose of providing funds (a) to finance the costs of the Authorized Purpose (as defined herein) and (b) for related purposes, including, without limitation, paying the costs of issuance for the Qualified Obligation and the Series 2018 Bonds.

Authority for Issuance

The Series 2018 Bonds are issued pursuant to the provisions of the Act, the Indenture, and the Municipality Resolution.

Description of the Series 2018 Bonds

Redemption. The Series 2018 Bonds are subject to redemption as set forth hereinafter.

Denominations. The Series 2018 Bonds will be issued in denominations of \$5,000 or any integral multiple thereof.

Registration, Transfers, and Exchanges. The Series 2018 Bonds will be issued only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2018 Bonds will be made in book-entry-only form. Purchasers of beneficial interests in the Series 2018 Bonds will not receive physical delivery of certificates representing their respective interests in the Series 2018 Bonds.

Payments. Interest on the Series 2018 Bonds is payable on _____ 1 and _____ 1 of each year, and, so long as DTC or its nominee is the Registered Owner of the Series 2018 Bonds, such interest, together with the principal of and redemption premium, if any, on the Series 2018 Bonds will be paid directly to DTC by _____ as Trustee under the Indenture. The final disbursement of such payments to the Beneficial Owners of the Series 2018 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as more fully defined and described herein under the caption "DESCRIPTION OF THE SERIES 2018 BONDS – Book-Entry-Only System."

Tax Exemption

In the opinion of Bond Counsel, under existing laws, regulations, rulings, and judicial decisions, as presently interpreted and construed, interest on the Series 2018 Bonds is excludable from gross income for federal tax purposes, with such excludability conditioned upon continuing compliance with certain tax covenants of the Bank and the City, and under existing laws, regulations, rulings, and judicial decisions, interest on the Series 2018 Bonds are exempt from income taxation in the State.

Pursuant to Section 55 of the Code, an alternative minimum tax is imposed if a taxpayer's regular income tax for a year is less than such taxpayer's "tentative minimum tax" for such year. "Tentative minimum tax" is computed on the basis of "alternative minimum taxable income." "Alternative minimum taxable income" is taxable income determined with certain adjustments and increased by certain items of tax preference.

Among the adjustments applicable in determining "alternative minimum taxable income" for corporations (other than S corporations, regulated investment companies, real estate investment trusts and real estate mortgage investment conduits, as such terms are defined in the Code) is 75 percent of the amount by which "adjusted current earnings" exceeds the "alternative minimum taxable income" (determined without regard to the adjustments based on "adjusted

current earnings” and the alternative net operating loss deduction described in Section 56 of the Code). Interest on the Series 2018 Bonds will be included in computing “adjusted current earnings.”

Among the items of tax preference for all taxpayers is interest on any “specified private activity bond,” reduced by any deduction (not allowable in computing the regular tax) which would have been allowable if such were included in gross income. In the opinion of Bond Counsel, the Series 2018 Bonds will not be “specified private activity bonds,” and accordingly interest thereon will not be treated as a specific item of tax preference for purposes of computing alternative minimum taxable income.

Notwithstanding Bond Counsel’s opinion that interest on the Series 2018 Bonds is not a specific preference item for purposes of the federal alternative minimum tax, for taxable years beginning before January 1, 2018, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of federal alternative minimum taxable income 75 percent of the excess of such corporations’ adjusted current earnings over their federal alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses). No federal alternative minimum tax applies to corporations for taxable years beginning after December 31, 2017.

For a more complete description of such opinions and certain other tax consequences incident to the ownership of the Series 2018 Bonds, see the captions "TAX MATTERS" in this Official Statement. See "APPENDIX C" for the proposed form of Bond Counsel opinion

Risks to the Owners of the Series 2018 Bonds

There are certain risks involved in the ownership of the Bonds which should be considered by prospective purchasers. The ability of the Bank to pay principal of, premium, if any, and interest on the Bonds depends primarily upon the receipt by the Bank of payments on the Qualified Obligation (the "Qualified Obligation Payments") from the City, which is obligated to make such payments to the Bank, together with investment earnings on certain amounts in the Funds and Accounts. See "SECURITY AND SOURCES OF PAYMENT OF THE BONDS" in this Official Statement. Failure of the Bank and/or the City to comply with certain tax covenants may also adversely affect the tax exempt status of the interest on the Bonds. See "RISKS TO THE OWNERS OF THE BONDS" in this Official Statement.

Other Information

This Official Statement speaks only as of its date, and certain information contained herein is subject to change.

Copies of other documents and information are available, upon request, and upon payment to the Bank of a charge for copying, mailing, and handling, from E.F. "Buddy" Mitcham, Executive Director, Mississippi Development Bank, 735 Riverside Drive, Suite 300, Jackson, Mississippi, 39202, telephone (601) 355-6232.

No dealer, broker, salesman, or other person has been authorized to give any information

or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2018 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the Bank and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Bank or the City since the date hereof.

THE SERIES 2018 BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Format of Official Statement

There follows in this Official Statement a description of the Bank, the security and sources of payment for the Bonds, and summaries of certain provisions of the Bonds, the Indenture, the Qualified Obligation, and certain provisions of the Act. All discussions of the Act and the Indenture are qualified in their entirety by reference to the Act and the Indenture, copies of which are available from the Bank, and all discussions of the Bonds are qualified in their entirety by reference to their definitive form and the information with respect to the Bonds contained in the Indenture.

Certain economic and demographic information relating to the City is set forth in APPENDIX A, certain financial information relating to the City is set forth in APPENDIX B, the proposed form of opinion of Bond Counsel with respect to the Bonds is set forth in APPENDIX C, certain definitions of certain terms used in this Official Statement and summaries of certain provisions of the Indenture are set forth in APPENDIX D, the form of the continuing disclosure agreement of the Bank is set forth in APPENDIX E [and the form of the Bond Insurance Policy is set forth in APPENDIX F.] Each of the Appendices to this Official Statement is an integral part of this Official Statement and should be read in its entirety by any and all owners or prospective owners of the Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS

General

The Series 2018 Bonds are payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, premium, if any, and interest on all of the Series 2018 Bonds. The Series 2018 Bonds do not constitute a debt, liability, or loan of the credit of the State or any political subdivision thereof under the constitution of the State or a pledge of the full faith and credit and taxing power

or moral obligation of the State or any political subdivision thereof; provided, however, that the Qualified Obligation is secured by the full faith, credit and taxing power of the City. The Bank has no taxing power. The sources of payment of, and security for, the Bonds are more fully described below.

Under the Indenture, the Series 2018 Bonds are secured by the assignment to the Trustee of the Qualified Obligation and all Qualified Obligation Payments, as described herein. In addition, the Indenture pledges to the payment of the Series 2018 Bonds all proceeds of the Trust Estate, including without limitation all cash and securities held in the Funds and Accounts created by the Indenture, except for the Rebate Fund, together with investment earnings thereon and proceeds thereof (except to the extent transferred to the Rebate Fund or from such Funds and Accounts under the Indenture), and all other funds, accounts and moneys to be pledged by the Bank to the Trustee as security under the Indenture, to the extent of any such pledge.

The Qualified Obligation

From the proceeds of the Bonds, the Bank intends to purchase and, upon purchase, will pledge to the Trustee the Qualified Obligation of the City.

Provisions for Payment of the Qualified Obligation Payments

The Qualified Obligation will be a general obligation of the City. The Municipality Resolution (as defined herein) provides that the City is unconditionally obligated to make payments secured by the full faith and credit of the City in an aggregate amount sufficient, with any other funds available therefor, for the payment in full of the principal of, premium, if any, and interest on all Bonds issued and Outstanding (as defined herein) under the Indenture, to the date of payment thereof, and certain costs, expenses and charges of the Bank and the Trustee.

In the Municipality Resolution, the City covenants to levy a direct, continuing special tax upon all of the taxable property within the geographical limits of the City, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of, premium, if any, and the interest on the Qualified Obligation and any additional obligations of the City under the Municipality Resolution. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the City are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are irrevocably pledged in the Municipality Resolution for the payment of the principal of, premium, if any, and interest on the Qualified Obligation and any additional obligations of the City as the same shall respectively mature and accrue.

The Qualified Obligation will never, within the meaning of any constitutional or statutory limitation, be a debt, liability, or obligation of the State or any political subdivision of the State other than the City, and neither the full faith and credit nor taxing power or moral obligation of the State or any political subdivision thereof is pledged to the payment of the principal of, premium, if any, and interest on the Qualified Obligation; provided, however, that the Qualified Obligation is secured by the full faith, credit and taxing power of the City. The Qualified

Obligation initially issued under the Municipality Resolution shall be issued for the purposes of providing funds to finance the costs of certain capital improvement projects.

RISKS TO THE OWNERS OF THE SERIES 2018 BONDS

General

The Series 2018 Bonds will be payable solely from the payments to be made by the Bank under the Indenture. Pursuant to the Indenture, such payments are limited to the Qualified Obligation Payments payable by the City on the Qualified Obligation pursuant to the Municipality Resolution. No reserve fund has been established for the payment of debt services on the Series 2018 Bonds or the Qualified Obligation. Purchasers of the Series 2018 Bonds are advised of certain risk factors with respect to the purchaser and ownership of the Series 2018 Bonds.

In addition, purchasers of the Series 2018 Bonds are advised of certain additional information in connection with the City as set forth in "APPENDIX A" and "APPENDIX B."

Qualified Obligation Payments

The ability of the Bank to pay principal of, redemption premium, if any, and interest on the Series 2018 Bonds depends primarily upon the receipt by the Bank of the Qualified Obligation Payments from the City which is obligated under the Qualified Obligation to make such payments to the Bank, together with earnings on the amounts in the Funds and Accounts created under the Indenture sufficient to make such payments. There is no Indenture Fund or Account which is required to contain amounts to make up for any deficiencies in the event of one or more defaults by the City in making such Qualified Obligation Payments, and there is no source from which the General Fund will be replenished except the Qualified Obligation Payments and investment income on moneys in the Funds and Accounts.

The Qualified Obligation will be a general obligation of the City payable as to principal, premium, if any, and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually, without limitation as to rate or amount, upon the taxable property within the geographical limits of the City. The City will levy annually a special tax upon all taxable property within the geographical limits of the City, adequate and sufficient to provide for the payment of the principal of, premium, if any, and the interest on the Qualified Obligation as the same falls due.

The qualified electors of the State of Mississippi voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 to add the following new Section 172A (the "Amendment"):

“SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes. “

The Amendment does not affect the underlying obligation of the City to pay the principal of and interest on the Qualified Obligation as it matures and becomes due, nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears

that the Amendment was not intended to affect remedies of a holder of the Qualified Obligation in the event of a payment default, it potentially prevents such holder from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the Qualified Obligation in a court of the State of Mississippi. It is not certain whether the Amendment would affect the right of a federal court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the holder of the Qualified Obligation in the event of a payment default with respect to the Qualified Obligation. For example, such holder can seek a writ of mandamus to compel the City to use any legally available moneys to pay the debt service on the Qualified Obligation, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to Mississippi Constitution Section 175, all public officials who are guilty of willful neglect of duty may be removed from office.

Tax Covenants

The Bank has covenanted under the Indenture to use its best efforts to comply with all actions required to assure the continuing excludability of interest on the Series 2018 Bonds from gross income or federal income tax purposes. Failure by the Bank to comply with such covenants could cause the interest on the Series 2018 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance. Further, the City has covenanted in the Municipality Resolution that it will comply with certain requirements under the Code to ensure continuing excludability from gross income for federal income tax purposes of interest on the Series 2018 Bonds. Failure by the City to comply with such requirements could cause the interest on such Series 2018 Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance. See the caption "TAX MATTERS."

Remedies

The remedies available to the Trustee, to the Bank, or to the owners of the Series 2018 Bonds upon an Event of Default under the Indenture or under the terms of the Qualified Obligation are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the Qualified Obligation may not be readily available or may be limited.

The pledge of the full faith, credit, and taxing power for payment of the Qualified Obligation granted by the City in the Municipality Resolution may be limited by a number of factors, including the ability to collect levied taxes. Under current law, such a pledge and assignment as attempted to be effected by the Municipality Resolution may be further limited by the following: (a) statutory liens; (b) rights arising in favor of the United States of America or any agency thereof; (c) prohibitions against assignments set forth in federal statutes; (d) constructive trusts, equitable liens or other rights which might be impressed or conferred by any state or federal court in the exercise of equitable jurisdiction; (e) the Bankruptcy Code, affecting taxes and other revenues of the City received within ninety (90) days preceding and after any effectual institution of bankruptcy, liquidation or reorganization proceedings by or against the City; (f) rights of third parties in revenues converted to cash and not in the possession of the Trustee; and (g) sales, liens, and/or pledges made by the City. If an Event of Default does occur,

it is uncertain that the Trustee could successfully obtain an adequate remedy at law or in equity.

Certain Bankruptcy Risks

The remedies available to the Trustee, to the Bank, or to the owners of the Series 2018 Bonds upon an “event of default” under the Indenture or the terms of the Qualified Obligation are in many respects dependent upon judicial actions which are subject to discretion and delay.

In the event the City were to become a debtor under the Bankruptcy Code, payments under the Qualified Obligation may be stayed or under certain circumstances may be subject to avoidance or disgorgement and the interest of the Trustee in such payments may not extend to payments acquired after the commencement of such a bankruptcy case or within ninety (90) days prior thereto. The various legal opinions delivered concurrently with the delivery of the Series 2018 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally. Furthermore, if a bankruptcy court concludes that the Trustee has “adequate protection,” it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the “indubitable equivalent.” Thus, in the event of the bankruptcy of the City, the amount realized by the Trustee may depend on the bankruptcy court’s interpretation of “indubitable equivalent” and “adequate protection” under the then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the Qualified Obligation, the Indenture, or related documents that make bankruptcy and related proceedings by the City an Event of Default thereunder. All of these events would adversely affect the payment of debt service on the Series 2018 Bonds.

DESCRIPTION OF THE SERIES 2018 BONDS

General Description

The Series 2018 Bonds are issuable under the Indenture as fully registered bonds. When issued, the Series 2018 Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests from DTC in the Series 2018 Bonds will be made in book-entry-only form (without certificates) in the denomination of \$5,000 or any integral multiple thereof (see the heading, “Book-Entry-Only System” under this caption).

The Series 2018 Bonds will mature in the amounts and on the dates, and bear interest at the rates per annum, set forth on the cover page of this Official Statement. Interest on the Series 2018 Bonds will be payable semiannually on _____ 1 and _____ 1 of each year, commencing _____ 1, 20____. Interest will be calculated on the basis of a 360-day year consisting of twelve thirty-day months.

Each Series 2018 Bond will be dated the day of delivery. If any Series 2018 Bond is authenticated on or prior to the day of delivery, it will bear interest from such date. Each Series

2018 Bond authenticated after the day of delivery, will bear interest from the most recent date on which interest was payable (the "Interest Payment Date"), and has been paid on or prior to the date of authentication of such Series 2018 Bond, unless such Series 2018 Bond is authenticated after the fifteenth (15th) day of the calendar month preceding an Interest Payment Date (the "Record Date") and on or prior to the next following Interest Payment Date, in which case such Series 2018 Bond will bear interest from such following Interest Payment Date.

So long as DTC or its nominee is the Registered Owner of the Series 2018 Bonds, payments of the principal of, redemption premium, if any, and interest on the Series 2018 Bonds will be made directly by the Trustee by wire transfer of funds to Cede & Co., as nominee for DTC. Disbursement of such payments to the participants of DTC (the "DTC Participants") will be the sole responsibility of DTC, and the ultimate disbursement of such payments to the Beneficial Owners, as defined herein, of the Series 2018 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, as defined herein. See the heading, "Book-Entry-Only System" under this caption.

If the Series 2018 Bonds are no longer in a book-entry-only system, the principal of the Series 2018 Bonds will be payable upon maturity or redemption at the office of the Trustee, and interest on the Series 2018 Bonds will be paid by check of the Trustee dated the due date and mailed or delivered on or before the Business Day prior to each Interest Payment Date to the Registered Owners of record as of the close of business on the most recent Record Date or, at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2018 Bonds delivered to the Trustee at least one Business Day prior to the Record Date for which such election will be effective, by wire transfer to the Registered Owner or by deposit into the account of the Registered Owner if such account is maintained by the Trustee.

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered Series 2015 Bond certificate will be issued for the Series 2018 Bonds in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers,

banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U. S. and non-U. S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of _____. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2018 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2018 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2018 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2018 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2018 Bond documents. For example, Beneficial Owners of Series 2018 Bonds may wish to ascertain that the nominee holding the Series 2018 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds within

an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments, and interest payments on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the Bank or Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bank, or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2018 Bond certificates are required to be printed and delivered.

The Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2018 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bank believes to be reliable, but the Bank takes no responsibility for the accuracy thereof.

So long as Cede & Co. is the registered holder of the Series 2018 Bonds as nominee of DTC, references herein to the Holders, holders, or Registered Owners of the Series 2018 Bonds mean Cede & Co. and not the Beneficial Owners of the Series 2018 Bonds.

THE BANK, THE TRUSTEE, THE CITY AND THE UNDERWRITER CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2018 BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES 2018 BONDS; (II)

CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN SERIES 2018 BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2018 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE BANK, THE CITY, THE TRUSTEE NOR THE UNDERWRITER WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE SERIES 2018 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2014 BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2018 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Redemption

Redemption Generally. If the City directs the Bank to redeem the Series 2018 Bonds in accordance with the Qualified Obligation, the Bank has agreed under the Indenture to accept redemption and to redeem the Series 2018 Bonds in accordance with the Indenture.

Optional Redemption. The Series 2018 Bonds (or any portions thereof in integral multiples of \$5,000 each) maturing on or after _____ 1, 20____, are subject to redemption in whole or in part, in principal amounts and maturities selected by the Bank on any date on or after _____ 1, 20____, at par, plus accrued interest to the date of redemption. Under the Indenture, selection of Series 2018 Bonds to be redeemed within a maturity will be made by lot by the Trustee. In accordance with DTC's standard practices and its agreement with the Bank, DTC and the DTC Participants will make this selection so long as the Series 2018 Bonds are in book-entry form.

[Mandatory Sinking Fund Redemption.

_____]

Notice of Redemption. Notice of the call for any redemption, identifying the Series 2018 Bonds (or any portions thereof in integral multiples of \$5,000 each) to be redeemed (which may be a conditional notice of redemption), will be given by the Trustee at least 30 days but not more

than 45 days prior to the date fixed for redemption by mailing a copy of the redemption notice by registered or certified mail to the Registered Owner of each Series 2018 Bond to be redeemed at the address shown on the registration records and to the Underwriter of the Series 2018 Bonds. Failure to mail such notice to any particular owner of Series 2018 Bonds, or any defect in the notice mailed to any such owner of Series 2018 Bonds, will not affect the validity of the call for the redemption of any other Series 2018 Bonds. So long as DTC or its nominee is the Registered Owner of the Series 2018 Bonds, notice of the call for any redemption will be given to DTC, and not directly to Beneficial Owners. See the caption, "DESCRIPTION OF THE SERIES 2018 BOND -- Book-Entry-Only System."

Redemption Payments. The Trustee will apply funds deposited with the Trustee by the Bank in an amount sufficient to pay the Redemption Price of the Series 2018 Bonds, or portions thereof called, together with accrued interest thereon to the redemption date. After the redemption date, if proper notice of redemption by mailing has been given and sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Series 2018 Bonds that have been called.

APPLICATION OF THE PROCEEDS OF THE SERIES 2018 BONDS

The proceeds of sale of the Series 2018 Bonds which is equal to \$_____ will be applied as follows:

Sources of Funds

Series 2018 Bond Proceeds	\$
Net Original Issue Premium	\$
Total Sources of Funds	\$

Uses of Funds

Deposit to General Fund, Purchase Account	\$
Deposit to the General Fund, Bond Issuance Expense Account	
Original Purchaser's Discount	
Total Uses of Funds	\$

THE MISSISSIPPI DEVELOPMENT BANK

General

The Bank was created in 1986 and is organized and existing under and by virtue of the Bank Act as a separate body corporate and politic for the public purposes set forth in the Bank Act. The Bank is not an agency of the State, is separate from the State in its corporate and sovereign capacity, and has no taxing power.

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the provision of adequate markets and facilities for the borrowing of funds for public purposes and

purposes of (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district, or political subdivision of the State, (b) the State, or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, including the City.

THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON ANY OF THE BONDS, AND THE BONDS ARE NOT A DEBT, LIABILITY, LOAN OF THE CREDIT, MORAL OBLIGATION, OR PLEDGE OF THE FULL FAITH AND CREDIT AND TAXING POWER OF THE STATE.

Under the Bank Act, the Bank is granted the power to borrow money and issue its bonds in such principal amounts as it shall deem necessary to provide funds to accomplish a public purpose or purposes of the State provided for under the Bank Act, including the purchasing of securities of and making loans to local governmental units (as defined in the Bank Act).

Organization and Membership of the Bank

The Bank is governed by a nine (9) member Board of Directors. The members of the Board of Directors are elected by the members of the Mississippi Business Finance Corporation (the "MBFC") at the time and place fixed by the MBFC's by-laws. Appointments are for terms of one year. The members of the Board of Directors are as follows:

<u>NAME</u>	<u>OCCUPATION</u>	<u>TERM</u>
Kim Dillon	President/CEO TeleSouth Communications Inc. Jackson, Mississippi	8/01/17 – 7/31/18
Jabari Edwards	Owner, JSGBL Construction Company & Co- Owner, Bridge Insurance Columbus, Mississippi	8/01/17 – 7/31/18
William L. Freeman, Jr	Retired Banker Newton, Mississippi	8/01/17 – 7/31/18
William Griffin	Owner, President/CEO, Griffin & Griffin Exploration, LLC Jackson, Mississippi	8/01/17 – 7/31/18
Gary Harkins	Businessman Brandon, Mississippi	8/01/17 – 7/31/18
Joel Horton	Banker Vicksburg, Mississippi	8/01/17 – 7/31/18
Bobby James	Businessman Jackson, Mississippi	8/01/17 – 7/31/18
William D. Sones	Chairman & CEO/Bank of Brookhaven Brookhaven, Mississippi	8/01/17 – 7/31/18
Mark Wiggins	Businessman Oxford, Mississippi	8/01/17 – 7/31/18

The operations of the Bank are administered by E.F. "Buddy" Mitcham, Executive Director. Mr. Mitcham is a 1970 graduate of Mississippi State University with a degree in Business Administration.

Prior Bonds of Bank

The purpose of the Bank is to foster and promote, in accordance with the Bank Act, the borrowing of funds for public purposes by local governmental units. As of January 1, 2018, the Bank has previously issued bonds totaling in principal approximately \$8,253,679,402.00. Of such amount, approximately \$2,958,660,408.85 was outstanding as of January 1, 2018.

The Bank is presently considering the issuance under the Act of additional special obligation bonds for other purposes authorized under the Act.

The faith, credit, and taxing power of the State and the Bank are not pledged to the payment of the principal of, premium, if any, and interest on any of the bonds issued or planned for issuance by the Bank and all such bonds are not a debt, liability, loan of the credit, or pledge of the faith and credit of the State or the Bank.

REVENUES, FUNDS AND ACCOUNTS

Creation of Funds and Accounts

The Indenture establishes the following special Funds and Accounts to be held by the Trustee:

1. General Fund - comprised of the following:
 - (a) General Account
 - (b) Purchase Account
 - (c) Redemption Account
 - (d) Bond Issuance Expense Account
2. Rebate Fund

Revenues and Other Receipts

The Trustee will deposit Revenues, as defined in the Indenture, and other receipts (except the proceeds of the Series 2018 Bonds, interest earnings on any amounts in the Rebate Fund, and moneys received by the Bank from the sale or redemption prior to maturity of the Qualified Obligation) into the General Account of the General Fund and will deposit any moneys received from the sale or prepayment prior to maturity of the Qualified Obligation into the Redemption Account of the General Fund. A sufficient amount of the funds remitted by the City as Qualified Obligation Payments pursuant to the Qualified Obligation shall be transferred to the General Account by the Trustee at least fifteen days prior to each Interest Payment Date to provide funds for the debt service payments on the Series 2018 Bonds. The Trustee will deposit the proceeds of any Refunding Bonds as provided in the supplemental indenture authorizing the issuance of such Refunding Bonds.

OPERATION OF FUNDS AND ACCOUNTS

General Fund

General Account. The Trustee will disburse the amounts held in the General Account for the following purposes, and, in the event of insufficient funds to make all of such required disbursements, in the following order of priority:

(a) On or before any Interest Payment Date, to the Trustee such amounts as may be necessary to pay the principal and interest coming due on the Series 2018 Bonds on such Interest Payment Date.

(b) As necessary and in accordance with the Indenture, such amounts as may be necessary to pay any Program Expenses of the Bank for the Series 2018 Bonds.

(c) On or before thirty (30) days after each anniversary of the issuance of the Series 2018 Bonds, the amounts to be transferred to the Rebate Fund.

(d) After making all required payments under subparagraphs (a) through (c) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of Qualified Obligation Payments in the succeeding twelve (12) months and shall transfer all monies in the General Account, which, together with such expected receipts for the succeeding twelve (12) months are in excess of the amounts needed to pay principal and interest on the Series 2018 Bonds within the immediately succeeding twelve (12) month period, to the City.

Bond Issuance Expense Account. Upon receipt of invoices or requisitions acceptable to the Trustee, the Trustee will disburse the amounts held in the Bond Issuance Expense Account for the payment or reimbursement of the costs related to the authorization, issuance, sale, validation and delivery of the Bonds and the costs related to the authorization, issuance, sale, validation and delivery of the Qualified Obligation, including, but not limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of the Series 2018 Bonds, and other related costs, charges, and fees. On the date which is sixty (60) days after the date of issuance of the Series 2018 Bonds, any amounts remaining in the Bond Issuance Expense Account will be transferred to the General Account.

Purchase Account. Upon submission of duly authorized written requisitions of an authorized officer of the Bank stating that all requirements for purchases under the Act, the Indenture, and the established policies of the Bank have been or will be met, the Trustee will disburse the amounts held in the Purchase Account to the City as "Qualified Obligation Proceeds" under the Qualified Obligation for deposit into the 2018 Improvements Fund.

Redemption Account. The Trustee will deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the Qualified Obligation and will disburse the funds in the Redemption Account to redeem Series 2018 Bonds of such maturity or maturities as directed by an Authorized Officer if such Series 2018 Bonds are then subject to redemption.

Rebate Fund

Upon the direction of the Bank and in accordance with the memorandum of compliance or similar document regarding the expenditures and investments of the proceeds of the Series 2018 Bonds provided by the Bank under the Indenture (the "Memorandum of Compliance"), the Trustee will deposit amounts for the benefit of the Bank from the General Account in the General Fund into the Rebate Fund and will deposit into the Rebate Fund all income from investments in the Rebate Fund. In the event and to the extent that amounts in the Rebate Fund exceed the amounts required to be rebated to the United States of America, the Trustee will transfer such excess amounts to the General Account in the General Fund upon the direction of the Bank in accordance with the Memorandum of Compliance.

Not more than 60 days after five years following the date of delivery of the Series 2018 Bonds, and at intervals of every five years thereafter, upon the written request of the Bank the Trustee will pay to the United States of America ninety percent (90%) of the amount required to be paid to the United States of America as of such payment date. Not later than 30 days following the retirement of all of the Series 2018 Bonds, upon the written request of the Bank the Trustee will pay to the United States of America one hundred percent (100%) the amount to be paid to the United States of America. Each payment to the United States of America will be accompanied by a statement of the Bank summarizing the determination of the amount of such payment, together with copies of any reports originally filed with the Internal Revenue Service with respect to the Series 2018 Bonds.

With respect to the Rebate Fund, the Bank may direct the Trustee to proceed other than as set forth in the Indenture and described above by delivering to the Trustee a new Memorandum of Compliance accompanied by an Opinion of Bond Counsel to the effect that compliance with such memorandum will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Series 2018 Bonds.

Amounts Remaining in Funds

Any amounts remaining in any Fund or Account after full payment of all of the Series 2018 Bonds outstanding under the Indenture, all required rebates to the United States of America and the fees, charges, and expenses of the Trustee will be distributed to the City, except as provided in Section 3.08 of the Indenture.

Investment of Funds

Any moneys held as part of any Fund or Account created under or pursuant to Article VI of the Indenture and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed by the Bank (such direction to be confirmed in writing). All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and, except as provided in Article VI of the Indenture, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account of the General Fund for the Funds and Accounts for the Series 2018 Bonds. The Trustee may make any and all such investments through its bond

department or through the bond department of any financial institution which is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts for the Series 2018 Bonds may be commingled for the purpose of investment or deposit, and moneys in separate Funds. The Trustee and the Bank agree that all investments, and all instructions of the Bank to the Trustee with respect thereto shall be made in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal without causing any of the Series 2018 Bonds to be arbitrage bonds as defined in Section 148 of the Code. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of Section 8.01 of the Indenture, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date, or a redemption date determined by the owner of the Investment Securities at said owner's option, which shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such Investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account of the General Fund for the Funds and Accounts for the Series 2018 Bonds.

The Bank (i) has certified in the Indenture to the owners of the Series 2018 Bonds from time to time outstanding that moneys on deposit in any Fund or Account in connection with the Series 2018 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Series 2018 Bonds to lose the excludability from gross income for federal income tax purposes and (ii) has covenanted in the Indenture with the owners of the Series 2018 Bonds from time to time outstanding that, so long as any of the Series 2018 Bonds remain outstanding, moneys on deposit in any Fund or Account established in connection with the Series 2018 Bonds, whether or not such moneys were derived from the proceeds of the sale of the Series 2018 Bonds or from any other source, will not be used in any manner which will cause the interest on the Series 2018 Bonds to become subject to federal income taxation.

THE INDENTURE

The following is a summary of certain provisions of the Indenture. This summary does not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, a copy of which may be obtained upon written request to the Bank. Capitalized terms used and not defined herein shall have the meanings ascribed to them in the Indenture.

Provisions for Issuance of Refunding Bonds

- (a) All or any part of one or more series of Refunding Bonds may be authenticated and delivered upon original issuance to refund all or any part of the Outstanding Bonds.

Refunding Bonds shall be issued in a principal amount sufficient, together with other monies available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Bank Act, this Section, and by the Supplemental Indenture authorizing said Refunding Bonds.

(b) Refunding Bonds may be authenticated and delivered only upon receipt by the Trustee (in addition to the receipt by the Trustee of the documents required by Section 2.04 of the Indenture) of:

(i) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of redemption of all the Series 2018 Bonds to be refunded on the redemption date specified in such instructions;

(ii) Irrevocable instructions to the Trustee, satisfactory to it, to give notice of redemption of all the Series 2018 Bonds to be refunded on the redemption date specified in such instructions;

(iii) Either (A) monies in an amount sufficient to effect payment at the applicable Redemption Price or principal payment amount of the Series 2018 Bonds to be refunded or paid, respectively, together with accrued interest on such Series 2018 Bonds to the redemption or maturity date and all necessary and appropriate fees and expenses of the Trustee, which monies shall be held by the Trustee or any one or more of the Trustees in a separate account irrevocably in trust for and assigned to the respective owners of the Bonds to be refunded or paid, or (B) Governmental Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications, as shall be necessary to comply with the provisions of Article IX of the Indenture which Governmental Obligations shall be held in trust and used only as provided in said Article.

Mutilated, Lost, Stolen or Destroyed Bonds

If any Bond is mutilated, lost, stolen or destroyed, the Bank shall execute and the Trustee shall authenticate a new Bond or Bonds of the same maturity and denomination, as that mutilated, lost, stolen or destroyed; provided that in the case of any mutilated Bond, such Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to it. In the event any such Bond shall have matured or been called for redemption, instead of issuing and authenticating a duplicate Bond, the Trustee may pay the same without surrender thereof, provided, however, that in the case of a lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee together with indemnity satisfactory to it, before any payment may be made. The Trustee may charge the owner of such Bond its reasonable fees and expenses in connection with replacing any Bonds mutilated, lost, stolen or destroyed. Any Bond issued pursuant to Section 3.05 of the Indenture shall be deemed part of the original series of the Bonds in respect of which it was issued and a contractual obligation of the Bank replacing the obligation evidenced by such mutilated, lost, stolen or destroyed Bond.

Registration, Transfer, and Exchange of Bonds; Persons Treated as Owners

The Bank shall cause records for the registration and for the transfer of the Bonds to be kept by the Trustee at its principal corporate trust office, and the Trustee is hereby constituted and appointed the bond registrar of the Bank. At reasonable times and under reasonable regulations established by the Trustee, said records may be inspected and prepared by the Bank or by Beneficial Owners (or a designated representative thereof) of five percent (5%) or more in aggregate principal amount of the Bonds then Outstanding.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the registered owner or his attorney duly authorized in writing, the Bank shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The execution by the Bank of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required (a) to register, transfer or exchange any Bond during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds, or (b) to register, transfer or exchange any Bonds selected, called or being called for redemption prior to their stated maturity in whole or in part after mailing notice of such call has been made.

The person in whose name a registered Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal and interest thereon, shall be made only to or upon the order of the registered owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

All Bonds delivered upon any transfer or exchange shall be valid obligations of the Bank, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

Non Presentment of Bonds

In the event any Bond shall not be presented for payment when the principal thereof comes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the owner thereof, all liability of the Bank to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds for four (4) years, for the benefit of the owner of such Bond, without liability for interest thereon to such owner, who shall thereafter be restricted exclusively to such funds, for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond.

Any money so deposited with and held by the Trustee not so applied to the payment of Bonds within four (4) years after the date on which the same shall become due shall be subject to applicable laws of the State concerning escheat and unclaimed property and shall be repaid by the Trustee to the Bank and thereafter the Bondholders shall be entitled to look only to the Bank for payment, and then only to the extent of the amount so repaid, and the Bank shall not be liable for any interest thereon to the Bondholders and shall not be regarded as a trustee of such money.

Limitations on Obligations of Bank

The Series 2018 Bonds, together with interest thereon, shall be limited obligations of the Bank payable solely from Revenues and shall be a valid claim of the respective owners thereof only against the Funds and Accounts, other than the Rebate Fund and any Accounts created thereunder, established under the Indenture and the Qualified Obligation acquired by the Trustee, all of which are hereby assigned and pledged hereunder for the equal and ratable payment of the Series 2018 Bonds and shall be used for no other purpose than the payment of the Series 2018 Bonds, except as may be otherwise expressly authorized in the Indenture. The Series 2018 Bonds do not constitute a debt, liability, or loan of the credit of the State or any political subdivision thereof under the constitution of the State or a pledge of the full faith and credit and taxing power or moral obligation of the State or any political subdivision thereof; provided, however, that the Qualified Obligation is secured by the full faith, credit and taxing power of the City. The Bank has no taxing power. The Series 2018 Bonds do not constitute a debt or liability of the State or of any political subdivision thereof under the constitution of the State or a pledge of the faith and credit of the State or any political subdivision thereof, but shall be payable solely from the Revenues and funds pledged therefor in accordance with the Indenture. The issuance of the Series 2018 Bonds under the provisions of the Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Series 2018 Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof. Neither the State nor any agent, attorney, member or employee of the State or of the Bank, shall in any event be liable for the payment of the principal of, and premium, if any, or interest on the Series 2018 Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bank's agents, members, attorneys, and employees or any charge upon the general credit of the State or a charge against the taxing power of the State or any political subdivision thereof. In the Act, the State has pledged to and agreed with the holders of any Series 2018 Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Series 2018 Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Series 2018 Bonds are fully met and discharged.

Other Obligations Payable from Revenues

The Bank shall grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by the Indenture), and except for the Series 2018 Bonds, shall issue no bonds or other evidences of indebtedness payable from the Trust Estate.

Payments of Principal and Interest

The Bank covenants and agrees that it will promptly pay the principal of and interest on every Bond issued under the Indenture at the place, on the dates, and in the manner provided in the Indenture and in said Bonds according to the true intent and meaning thereof, provided that the principal and interest are payable by the Bank solely from Revenues and any other funds or assets constituting the Trust Estate pledged to the Trustee as security by the Bank to the extent of that pledge.

Performance of Covenants by the Bank

The Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Indenture, if any, and every Bond executed, authenticated, and delivered hereunder and in all of its proceedings pertaining thereto. The Bank covenants and agrees that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute the Indenture and to pledge the Revenues and all other property hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken, and that the Bonds in the hands of the owners thereof are and will be valid and enforceable limited obligations of the Bank according to the terms thereof and hereof.

Discharge of Indenture

Except as provided in the Indenture, if payment or provision for payment is made, to the Trustee, of the principal of and interest due and to become due on the Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions hereof, then these presents and the Trust Estate and rights hereby granted shall cease, terminate, and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, and execute and deliver to the Bank such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and release, assign, and deliver unto the Bank any and all estate, right, title, and interest in and to any and all rights assigned or pledged to the Trustee hereby or otherwise subject to the lien of the Indenture, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds.

In addition to the satisfaction of the defeasance requirements set forth in the Indenture, any Bond shall be deemed to be paid within the meaning of the Indenture when (a) payment of the principal of such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in the Indenture or otherwise), either (i) shall have been made or caused to have been made in accordance with the terms thereof, or (ii) shall have

been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment, or (3) a combination of such moneys and Governmental Obligations; and (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America, with respect to which such deposit is made, shall have been paid or deposited with the Trustee.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Bank shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted by the Indenture);

(b) to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to (a) hereof; and

(c) to mail, as soon as practicable, in the manner prescribed by the Indenture, a notice to the owners of such Bonds that the deposit required by (a) of the preceding paragraph has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal of or redemption price, if applicable, on said Bonds as specified in subparagraph (a) of this paragraph.

Any moneys so deposited with the Trustee as provided in the Indenture may at the direction of the Bank also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the General Account, as and when collected, for use and application as are other moneys deposited in such Account.

No such deposit under the Indenture shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an Opinion of Bond Counsel to the effect that such deposit and use would not cause any of the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code. Moreover, no such deposit shall be deemed a payment of such Bonds unless the Trustee shall have received a verification from an accountant or firm of accountants appointed by the Bank and acceptable to the Trustee verifying the sufficiency of the deposit to pay the principal of, premium, if any, and interest on the Bonds to the due date, whether such due date be by reason of maturity or upon redemption.

Notwithstanding any provision of the Indenture, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of the Indenture for the payment of Bonds

(including interest thereon but excluding any amounts set aside for rebate to the United States of America) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or obligations have been so set aside in trust.

Upon the deposit with the Trustee, in trust, at or before maturity, of money or Governmental Obligations in the necessary amount to pay or redeem all Outstanding Bonds as aforesaid (whether upon or prior to their stated maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the stated maturity thereof, notice of such redemption shall have been given as hereinabove provided, or provisions satisfactory to the Trustee shall have been made for the giving of such notice, and compliance with the other payment requirements hereof, the Indenture may be discharged in accordance with the provisions of the Indenture but the limited liability of the Bank in respect of such Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or Governmental Obligations deposited with the Trustee as aforesaid.

Defaults; Events of Default

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "event of default" under the Indenture:

- (a) Failure in the due and punctual payment of any interest on any Bond; or
- (b) Failure in the due and punctual payment of the principal or redemption premium, if any, of any Bond whether at the stated maturity thereof or on any date fixed for redemption; or
- (c) Failure of the Bank to remit to the Trustee within the time limits prescribed herein any moneys which are required by the Indenture to be so remitted; or
- (d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Bank contained in the Indenture or in the Bonds and failure to remedy the same within the time provided in, and after notice thereof pursuant to the Indenture; or
- (e) Any warranty, representation or other statement by or on behalf of the Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is false or misleading, when made, in any material respect, and failure to remedy the same within the time provided in, and after notice thereof pursuant to, the Indenture; or
- (f) A petition is filed against the Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect and is not dismissed within sixty (60) days after such filing; or
- (g) The Bank files a petition in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, adjustment of debt, dissolution or liquidation law of any jurisdiction whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(h) The Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bank or any of its property is appointed by court order or takes possession of such property and such order remains in effect or such possession continues for more than sixty (60) days; or

(i) Failure in the due and punctual payment of any interest or principal on the Qualified Obligation;

(j) The Bank for any reason shall be rendered incapable of fulfilling its obligations under the Indenture; or

(k) There is an "event of default" under the Qualified Obligation and/or the Municipality Resolution.

Remedies: Rights of Bondholders

Upon the occurrence of an "event of default" under the Indenture, the Trustee shall notify the owners of all Bonds then Outstanding of such "event of default" by registered or certified mail, and will have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including enforcement of any rights of the Bank or the Trustee under the Qualified Obligation.

(b) The Trustee may by action or suit in equity require the Bank to account as if it were the trustee of an express trust for the holders of the Bonds and may take such action with respect to Qualified Obligations as the Trustee deems necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the Qualified Obligation.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) The Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the Indenture and the Act, by notice to the Bank and the Attorney General of the State.

Upon the occurrence of such an "event of default," if requested so to do by the holders of twenty five percent (25%) or more in aggregate principal amount of all Bonds then Outstanding, and if indemnified as provided in Section 11.01(k) of the Indenture, the Trustee shall be obligated to exercise such one or more of the rights, remedies and powers conferred by the Indenture as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of the Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to the Bondholders under the Indenture or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any such "event of default" shall impair any such right or remedy or shall be construed to be a waiver of any such "event of default" or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any such "event of default", whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent "event of default" or shall impair any rights or remedies consequent thereon.

Rights of Bondholders to Direct Proceedings

Subject to provisions of the Indenture including the rights of the Beneficial Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time during the continuance of an "event of default" under the Indenture, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys

All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of the Indenture (including moneys received by virtue of action taken under provisions of the Qualified Obligations) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by Trustee and any other moneys owed to Trustee under the Indenture, be deposited in the General Account and all moneys in the General Account shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, including interest on any past due principal of any Bond at the rate borne by such Bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege;

SECOND - To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due either at maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which other moneys are held pursuant to the provisions of the Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such interest, then to such payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege; and

THIRD - To be held for the payment to the persons entitled thereto as the same shall become due of the principal of and interest on the Bonds which may then become due either at maturity or upon call for redemption prior to maturity and, if the amount available shall not be sufficient to pay in full the principal of and interest on Bonds due on any particular date, such payment shall be made ratably according to the amount of principal and interest due on such date to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of the Indenture, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment of principal to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid. Whenever all principal of and interest on all Bonds have been paid under the provisions of the Indenture and all expenses and charges of the Trustee have been paid and all other amounts due under the Indenture and the Qualified Obligations have been paid in full, any balance remaining in the General Account shall be paid as provided in Article VI of the Indenture.

Remedies Vested in the Trustee

All rights of action (including the right to file proof of claims) under the Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding

instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

Rights and Remedies of Bondholders

No owner of any Bond shall have any right to institute any suit, action or proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereunder or for the appointment of a receiver or any other remedy thereunder, unless (a) a "default" has occurred, (b) such "default" shall have become an "event of default" under the Indenture and the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) such Beneficial Owners of Bonds have offered to the Trustee indemnity as provided in the Indenture, (d) the Trustee has refused, or for sixty (60) days after receipt of such request and offer of indemnification, has failed to exercise the remedies granted under the Indenture, or to institute such action, suit or proceeding in its own name; and such request and offer of indemnity are hereby declared in every case at the option of Trustee to be conditions precedent to the execution of the powers and trusts of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture, it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of the Indenture by its, his, her or their action or to enforce any right hereunder except in the manner provided under the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided under the Indenture and for the equal and ratable benefit of the owners of all Bonds then Outstanding. However, nothing contained in the Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of and interest on each of the Bonds issued under the Indenture to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

Waivers of Events of Default

The Trustee may at its discretion waive any "event of default" under the Indenture and its consequences, and shall do so upon the written request of the Beneficial Owners of (1) more than sixty six and two thirds percent (66 2/3%) in aggregate principal amount of all the Bonds then Outstanding in respect of which such an "event of default" in the payment of principal or interest exists, or (2) more than fifty percent (50%) in aggregate principal amount of all Bonds then Outstanding in the case of any other "event of default"; provided, however, that there shall not be waived (i) any "event of default" in the payment of the principal of any Outstanding Bond at the date of maturity specified therein, or (ii) any "event of default" in the payment when due of the interest on any Outstanding Bond unless prior to such waiver all of the interest or all of the payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such "event of default" shall have been paid or provided for, or (iii) any "event of default" for nonpayment of Program Expenses; and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such

"event of default" shall have been discontinued or abandoned or determined adversely, then and in every such case the Bank, the Trustee and the Bondholders shall be restored to their former positions and rights under the Indenture, respectively, but no such waiver or recession shall extend to any subsequent or other "event of default", or impair any rights consequent thereon.

Supplemental Indentures not Requiring Consent of Bondholders

The Bank and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the opinion of Bond Counsel, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to the Indenture;
- (c) To subject to the Indenture additional Revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to the Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute;
- (e) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee hereunder or the succession of a new registrar and/or paying agent.

Supplemental Indentures Requiring Consent of Bondholders

Exclusive of Supplemental Indentures provided for by in the preceding paragraph and subject to the terms and provisions contained below, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (exclusive of Bonds held by the Bank) shall have the right, from time to time, anything contained in the Indenture to the contrary notwithstanding, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular manner, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided, however, that nothing in this paragraph contained shall permit, or be construed as permitting, without the consent of the owners of all then Outstanding Bonds (a) an extension of the maturity of the principal of or the interest or redemption date on any Bond, or (b) a reduction in the principal amount of any Bond or change in the rate of interest or

redemption premium of any Bond, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of any lien securing any Bonds other than a lien ratably securing all of the Bonds at any time Outstanding, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

If at any time the Bank shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes set forth above, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration records maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bondholders. If, within sixty (60) days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, the owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Bank) shall have consented to and approved the execution of such Supplemental Indenture as provided in the Indenture, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

THE QUALIFIED OBLIGATION

General

The Bank has determined to purchase the Qualified Obligation of the City from the proceeds received upon the issuance of the Bonds. Upon the execution by the City of the Qualified Obligation Purchase Agreement (as defined herein) with the Bank prior to or as of the date of the approval of the sale of the Bonds to the Underwriter, the City will be obligated to sell the Qualified Obligation to the Bank in accordance with the requirements of the Act and subject to the Qualified Obligation Purchase Agreement.

The Bank Act provides that the Qualified Obligation purchased by the Bank, upon delivery to the Bank, must be accompanied by all documentation required by the Board of Directors of the Bank, including an approving opinion of Bond Counsel. The Bank will be prepared to cause the purchase price of the Qualified Obligation to be paid to the City promptly after the receipt of the proceeds of the Bonds by the Bank. However, under the Indenture, any purchase of the Qualified Obligation is subject to the receipt by the Trustee of certain documents and opinions as described in the Indenture.

Application of Qualified Obligation Proceeds

Simultaneously with the delivery of the Series 2018 Bonds by the Trustee, the Qualified Obligation Proceeds will be transferred by the Trustee, as the assignee for the Bank under the Qualified Obligation, to the City to be deposited in the 2018 Improvements Fund created under the Qualified Obligation and used to fund the City Project.

Payments Under the Qualified Obligation

Subject to the provisions of the Municipality Resolution, the City agrees to pay the Qualified Obligation as follows:

(a) The City shall pay to the Trustee for the account of the Bank an amount equal to the aggregate principal amount of the Series 2018 Bonds Outstanding and, as interest on its obligation to pay such amount, an amount equal to interest on the Series 2018 Bonds, such amounts to be due (1) semiannually as to interest, no later than _____ 1 and _____ 1 of each year, commencing _____ 1, 20____, in the amounts and in the manner provided in the Indenture for the payment of interest on the Series 2018 Bonds on such dates and (2) annually as to principal, no later than _____ 1 of each year, commencing _____ 1, 20____, to and including _____ 1, 20____, in an amount equal to the principal scheduled to become due on such Interest Payment Date, all in order that the Bank can cause amounts to be deposited in the General Account of the General Fund under the Indenture for the payment of the principal of, premium, if any, and interest on the Series 2018 Bonds, whether at maturity, upon redemption, upon purchase or otherwise; provided, however, that the obligation of the City to make any such payment under the Qualified Obligation shall be reduced by the amount of any reduction under the Indenture of the amount of the corresponding payment required to be made by the Bank under the Indenture.

(b) The City shall remit to the Trustee for deposit into the General Account of the General Fund under the Indenture (i) all amounts due under the Qualified Obligation and required for the payment of the principal of and the interest due on the Outstanding Series 2018 Bonds, and (ii) the amounts required for the payment of the purchase or Redemption Price of plus accrued interest on Outstanding Series 2018 Bonds being redeemed or purchased for retirement, and in each such case, such amounts shall be applied by the Trustee to such payments.

Additional Charges

The City agrees to pay as additional charges, when due, each and all of the following:

- (a) all Costs of Issuance;
- (b) to or upon the order of the Trustee, upon demand, all fees of the Trustee for services rendered under the Indenture and all fees and charges of the paying agent, registrars, legal counsel, accountants, public agencies, and others incurred in the performance on request of the Trustee of services required under the Indenture for which the Trustee and such other persons are entitled to payment or reimbursement; provided that after payment in full thereof the City may, without creating a default under the Qualified Obligation, contest in good faith the necessity or reasonableness of any such services, fees, or expenses other than the Trustee's fees for ordinary

services as set forth in the Indenture, paying agency fees, and any fees or charges of public agencies;

(c) to the Bank and the Trustee, the Administrative Expenses, and all other reasonable expenses incurred by the Bank and the Trustee in relation to the Project which are not otherwise required to be paid by the City under the terms of the Qualified Obligation and all indemnity payments required to be made under Section 7.3 of the Qualified Obligation;

(d) any and all out-of-pocket costs and expenses (including, without limitation, the reasonable fees and expenses of any counsel, accountants, or other professionals) incurred by Trustee or the Bank at any time, in connection with (1) the preparation, negotiation and execution of the Qualified Obligation, the Indenture, the Qualified Obligation, and all other bond documents, any amendment of or modification of the Qualified Obligation, the Indenture, the Qualified Obligation, or the other bond documents (including in connection with any sale, transfer, or attempted sale or transfer of any interest in the Qualified Obligation to a participant or assignee); (2) any litigation, contest, dispute, suit, proceeding or action, whether instituted by Bank, the Trustee, the City or any other person in any way relating to the Project, the Qualified Obligation, the other bond documents, or the City's affairs; (3) any attempt to enforce any rights of the Trustee or the Bank against the City or any other person which may be obligated to Trustee and/or Bank by virtue of the Qualified Obligation, the other bond documents or any other Project documents; and (4) performing any of the obligations relating to or payment of any obligations of the City under the Qualified Obligation in accordance with the terms of the Qualified Obligation or any other bond documents.

City's Obligations Unconditional

The City will not suspend or discontinue any Qualified Obligation Payments or Additional Charges, and will perform and observe all of its other agreements in the Qualified Obligation, and, except as expressly permitted in Municipality Resolution (regarding the City's option of prepayment), will not terminate the Qualified Obligation for any cause, including, but not limited to, the invalidity or unenforceability or lack of due authorization or other infirmity of the Qualified Obligation, or lack of right, power or authority of the Bank to enter into the Qualified Obligation, commercial frustration of purpose, bankruptcy or insolvency of the Bank or the Trustee, change in the tax or other laws or administrative rulings or actions of the United States of America or of the State or any political subdivision thereof, or failure of the Bank to perform and observe any agreement, whether express or implied or any duty, liability or obligation arising out of or connected with the Qualified Obligation, or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties to the Qualified Obligation that the Qualified Obligation Payments and other amounts payable by the City under the Qualified Obligation shall be paid in full when due without any delay or diminution whatever.

Assignment of Bank's Rights

As security for the payment of the Series 2018 Bonds, the Bank will pledge the amounts payable under the Municipality Resolution and the Qualified Obligation and assign, without recourse or liability, to the Trustee, the Bank's rights under the Municipality Resolution and the Qualified Obligation (except certain rights retained by the Bank). The rights pledged and assigned

by the Bank under the Municipality Resolution and the Qualified Obligation will include the right to receive payments under the Municipality Resolution and the Qualified Obligation and the Bank directs the City under the Municipality Resolution and the Qualified Obligation to make said payments directly to the Trustee. In the Municipality Resolution, the City agrees to such assignment and agrees to make payments under the Qualified Obligation directly to the Trustee without defense or setoff by reason of any dispute between the City and the Trustee.

Covenants in Bond Documents

The City will keep and perform all covenants and agreements set forth in the Indenture and each and every other bond document to which it is a party, which covenants are incorporated in the Qualified Obligation by reference as if fully set forth under the Qualified Obligation.

Conduct of Governmental Operations

The City will maintain its existence as a political subdivision and "local governmental unit" within the meaning of the Bank Act organized and validly existing under the Constitution and laws of the State. The City will comply with all applicable laws and regulations of any federal, state, or local governmental authority, except for such laws and regulations, the violation of which would not, in the aggregate, have a material adverse effect on the City's financial condition.

Payment of Indebtedness

The City will pay any indebtedness for which it is liable when due and will not permit any default to occur under any document evidencing or securing any such indebtedness.

Covenant for the Benefit of the Trustee and the Bondholders

The City recognizes the authority of the Bank to assign its interest in and pledge monies receivable under the Qualified Obligation to the Trustee as security for the payment of the principal of and interest and redemption premium, if any, on the Series 2018 Bonds, and the payment of all fees and expenses of the Trustee; and agrees to be bound by, and joins with the Bank in the grant of a security interest to the Trustee in any rights and interest the City may have in sums held in the Funds described in Article VI of the Indenture pursuant to the terms and conditions of the Indenture, to secure payment of the Series 2018 Bonds. Each of the terms and provisions of the Qualified Obligation is a covenant for the use and benefit of the Trustee and the Bondholders, so long as any thereof shall remain Outstanding; but upon payment in full of the Series 2018 Bonds in accordance with Article IX of the Indenture and of all fees and charges of the Trustee and paying agent and any amounts owed to the Bond Insurer, all *references* in the Qualified Obligation to the Series 2018 Bonds, the Bondholders and the Trustee shall be ineffective, and neither the Trustee nor the Bondholders shall thereafter have any rights under the Qualified Obligation, save and except those that shall have theretofore vested or that arise from provisions under the Qualified Obligation which survive termination of the Qualified Obligation.

Tax Covenants

In order to maintain the exclusion of interest on the Series 2018 Bonds from gross income of the holders thereof for federal income tax purposes, and for no other purpose, the City covenants in the Qualified Obligation to comply with each applicable requirement of the Code. In furtherance of the covenant contained in the preceding sentence, the City agrees to comply with the Tax Certificate executed by the City on the date of the issuance and delivery of the Series 2018 Bonds, as such Tax Certificate may be amended from time to time.

The City will covenant and agree with the Trustee and the Bondholders that the City will not take any action or omit to take any action, which action or omission, if reasonably expected on the date of initial issuance and delivery of the Series 2018 Bonds, would cause the Series 2018 Bonds to be "private activity bonds" or "arbitrage bonds" within the meaning of Sections 141(a) and 148(a), respectively, of the Code, or any successor provisions. The City will make any and all payments required to be made to the United States Department of the Treasury in connection with the Series 2018 Bonds pursuant to Section 148(f) of the Code.

Upon the authentication and delivery of the Series 2018 Bonds, the City will furnish to the Trustee certificates of an authorized City representative to the effect that, on the basis of the facts, estimates and circumstances in existence on the date of such authentication and delivery, it is not expected that the proceeds of the Series 2018 Bonds will be used in a manner that would cause such Series 2018 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code and Treasury Regulations thereunder, and in such certificates the City shall set forth such facts and circumstances which may be in brief and summary terms, and shall state that to the best of the knowledge and belief of such authorized City representative, there are no other facts or circumstances that would materially change the expectations expressed in such certificate.

Notwithstanding any other provisions of the Qualified Obligation to the contrary, so long as necessary in order to maintain the exclusion of interest on the Series 2018 Bonds from gross income for of the holders thereof for federal income tax purposes under Section 103(a) of the Code, the covenants contained in the Municipality Resolution shall survive the payment of the Series 2018 Bonds and the interest thereon, including any payment or defeasance thereof pursuant to Article IV of the Indenture.

Prepayment of the Qualified Obligation and Termination of the Qualified Obligation

(a) Unless an "event of default" has occurred and is continuing under the Qualified Obligation, the City shall have the option to direct the Trustee to call for redemption prior to maturity the Outstanding Series 2018 Bonds, in whole or in part, as provided in Section 4.01 of the Indenture. The Series 2018 Bonds to be redeemed shall be redeemed at a price equal to their principal amount plus accrued interest as set forth in Section 4.01 of the Indenture upon not less than 30 but no more than 45 days prior written notice. In the event the Series 2018 Bonds are called for redemption in whole or in part under the Indenture, a Basic Payment shall be made by the City in the amount of principal plus accrued interest and all other fees due under the Qualified Obligation to effectuate said redemption.

(b) If, after the City exercises its option to redeem all Series 2018 Bonds, no Series 2018 Bonds remain Outstanding, the Indenture is discharged, and the City has satisfied all of its obligations under the Qualified Obligation and under the Qualified Obligation, the Trustee and the Bank shall execute and deliver to the City and such instruments as the City reasonably determines are necessary to terminate the Qualified Obligation.

(c) The City shall pay to the Trustee at least five days prior to the Discharge Date, an amount equal to the Trustee's and paying agent's fees and expenses under the Indenture, accrued and to accrue until final payment and redemption of the Series 2018 Bonds and all other advances, fees, costs and expenses reasonably incurred and to be incurred on or before the termination date by the Trustee and paying agent under the Indenture and by the Bank under the Qualified Obligation; and

(d) On the termination date, a closing shall be held at the principal office of the Trustee, or any other office mutually agreed upon.

Upon termination of the Qualified Obligation as provided for in Section 8.1 of the Qualified Obligation, the Bank will cause the Trustee to deliver a release of the Indenture and the estate created by the Qualified Obligation, and all further obligations of the City under the Qualified Obligation, shall thereupon terminate; provided, however, that the City shall also remain obligated to pay or reimburse the Bank and Trustee for the payment of all other fees, costs and expenses unaccounted for in the sum paid in accordance with (c) above and reasonably incurred before or subsequent to such closing in connection with the Series 2018 Bonds. In no event shall the Qualified Obligation terminate unless all amounts due the Bond Insurer have been paid in full.

Direction of Investments

Except during the continuance of an "event of default" in the Qualified Obligation, the City shall have the right during the Term of the Qualified Obligation to direct the Trustee to invest or reinvest all monies held for the credit of the Funds and Accounts established by Article VI of the Indenture in such securities as are authorized by law for such funds, subject, however, to the further conditions of Article VIII of the Indenture.

Events of Default

Any one or more of the following events is an "event of default" under the Qualified Obligation, and the term "event of default," wherever used in the Qualified Obligation, means any one of the following events, whatever the reason for such default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body:

(a) if the City shall fail to pay any Qualified Obligation Payments due under the Qualified Obligation;

(b) if the City shall fail to pay any Additional Charges on or before the date that the payment is due and shall continue to be in arrears for 15 days after the due date thereof;

(c) if the City shall fail to observe and perform or shall breach any other covenant, condition or agreement on its part under the Qualified Obligation for a period of 15 days after mailing of a notice to it by the Bank or the Trustee, specifying such default or breach and requesting that it be remedied; and provided that if the failure stated in the notice cannot be corrected within 15 days, the Bank and Trustee will not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within said 15 days and is diligently pursued, for an additional 30 days;

(d) if the City shall be dissolved or is no longer a "local governmental unit" within the meaning of the Bank Act;

(e) if any representation or warranty made by the City in the Qualified Obligation, or by an officer or representative of the City in any document or certificate furnished the Trustee or the Bank in connection with the Qualified Obligation or therewith or pursuant to the Qualified Obligation or thereto, shall prove at any time to be, in any material respect, incorrect or misleading as of the date made;

(f) the occurrence of an "event of default" under any other bond document which is not cured within the time period provided therefor, if any; and/or

(g) if there is a declaration or proceeding in Bankruptcy regarding the City.

Remedies

(a) Whenever any "event of default" specified in subsection (a) of the previous section shall have happened and be continuing the Trustee shall declare all the Qualified Obligations Payments payable for the remainder of the term of the Qualified Obligation (an amount equal to that necessary to pay in full the Qualified Obligation and the interest thereon assuming acceleration of the Series 2018 Bonds under the Indenture and to pay all other indebtedness thereunder) to be immediately due and payable whereupon the same shall become immediately due and payable by the City but only if the acceleration of payment of the Series 2018 Bonds has been declared by the Trustee under Section 10.02 of the Indenture.

(b) Whenever any "event of default" under the Qualified Obligation shall have occurred and be continuing any one or more of the following remedial steps may also be taken to the extent permitted by law:

(1) the Trustee or the Bank may take whatever action at law or in equity may appear necessary or appropriate to collect all sums then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement, covenant, representation or warranty of the City, under the Municipality Resolution and the Qualified Obligation or any related instrument; or to otherwise compensate the Bank, Trustee or Bondholders for any damages on account of such "event of default"; and

(2) the Bank (without the prior consent of the Trustee if the Trustee is not enforcing the Bank's right in a manner to protect the Bank or is otherwise taking action that brings adverse consequences to the Bank) may take whatever action at law or in equity may appear

necessary or appropriate to enforce its rights of indemnification under the Municipality Resolution and the Qualified Obligation and to collect all sums then due and thereafter to become due to the Bank. Notwithstanding the foregoing, the Bank is not precluded from exercising any of its rights reserved to it even if the Trustee is exercising the rights of the Bank under the Qualified Obligation.

THE SERIES 2018 BONDS AS LEGAL INVESTMENTS

The Series 2018 Bonds shall be legal investments in which all public officers and public bodies of this State, its political subdivisions, all municipalities and municipal subdivisions, all insurance companies and associations, trust companies, savings banks and savings associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons whatsoever who are now or may hereafter be authorized to invest funds, including capital, in their control or belonging to them. The Series 2018 Bonds are also hereby made securities which may properly and legally be deposited with and received by all public officers and bodies of the State or any agency or political subdivisions of the state and all municipalities and public corporations for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

LITIGATION

There is not now pending or, to the Bank's knowledge, threatened any litigation restraining or enjoining the issuance, sale, execution or delivery of the Series 2018 Bonds or prohibiting the Bank from purchasing the Qualified Obligation of the City with the proceeds of such Series 2018 Bonds or in any way contesting or affecting the validity of the Series 2018 Bonds, any proceedings of the Bank taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the Series 2018 Bonds. Neither the creation, organization nor existence of the Bank nor the title of any of the present Directors nor other officers of the Bank to their respective offices is being contested.

There is not now pending or, to the knowledge of the City described in APPENDIX A, threatened any litigation restraining or enjoining the sale, issuance, execution or delivery of the Qualified Obligation or prohibiting the City described in APPENDIX A from delivering the Qualified Obligation to the Bank or in any way contesting or affecting the validity of the Qualified Obligation, any proceedings of the City taken with respect to the sale or issuance thereof or the pledge or application of any moneys or security provided for the payment of the Qualified Obligation.

TAX TREATMENT OF ORIGINAL ISSUE DISCOUNT

The Series 2018 Bonds maturing on _____ (the "Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold

pursuant to that initial offering. For federal income tax purposes, OID on a bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues to an owner of a Discount Bond during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of OID accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (iii) any interest payable on such Discount Bond during such accrual period. The amount of OID so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in such Discount Bond.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

TAX TREATMENT OF ORIGINAL ISSUE PREMIUM

The Series 2018 Bonds maturing on _____ (the "Premium Bonds") have an issue price that is greater than the amount payable at maturity of such Premium Bonds. A purchaser of a Premium Bond must amortize any premium over such Premium Bond's term using constant yield principles, based on the Premium Bond's yield to maturity. As premium is amortized, the purchaser's basis in such Premium Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Premium Bond, whether at the time of initial issuance or subsequent thereto, should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning such Premium Bonds.

TAX MATTERS

In the opinion of Bond Counsel, interest on the Series 2018 Bonds is excludable from gross income for federal income tax purposes, pursuant to Section 103 of the Code. The opinion of Bond Counsel, is based on certain certifications, covenants, and representations of the Bank and the City (collectively, "Tax Covenants") and is conditioned on continuing compliance therewith.

The Code imposes certain requirements which must be met subsequent to the issuance of the Series 2018 Bonds as a condition to the excludability from gross income of interest on the Series 2018 Bonds for federal tax purposes. Non-compliance with such requirements may cause interest on the Series 2018 Bonds to be includable in gross income for federal income tax purposes retroactive to its date of issue irrespective of the date on which such noncompliance occurs. Should the Series 2018 Bonds bear interest that is not excludable from gross income for federal income tax purposes, the market value of the Series 2018 Bonds would be materially and adversely affected. The Tax Covenants include covenants that (i) the Bank and the City will not

take or fail to take any action with respect to the Series 2018 Bonds if such action or omission would result in the loss of the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds, under Section 103 of the Code, and neither the Bank nor the City will act in any other manner which would adversely affect such exclusion; (ii) the Bank and the City will not make any investment or do any other act or thing during the period that the Series 2018 Bonds are outstanding which would cause the Series 2018 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code; and (iii) if required by the Code, the Bank and the City will rebate any necessary amounts to the United States of America. It is not an event of default under the Indenture if interest on the Series 2018 Bonds is not excludable from gross income for federal tax purposes or otherwise pursuant to any provision of the Code, which is not in effect on the date of issuance of the Series 2018 Bonds.

The interest on the Series 2018 Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes. However, interest on the Series 2018 Bonds is included in adjusted current earnings in calculating alternative minimum tax imposed on certain corporations.

Although Bond Counsel has rendered an opinion that interest on the Series 2018 Bonds is excludable from federal gross income and that the Series 2018 Bonds are exempt from State income tax, the accrual or receipt of interest on the Series 2018 Bonds may otherwise affect a bondholder's federal income tax or State tax liability. The nature and extent of these other tax consequences will depend upon the bondholder's particular tax status and a bondholder's other items of income or deduction. Taxpayers who may be affected by such other tax consequences include, without limitation, financial institutions, certain insurance companies, S corporations, certain foreign corporations, individual recipients of Social Security or railroad retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Series 2018 Bonds. Bond Counsel expresses no opinion regarding any other such federal or state tax consequences. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors with regard to the other tax consequences of owning the Series 2018 Bonds.

In the opinion of Bond Counsel interest on the Series 2018 Bonds is exempt from income taxation in the State under existing laws, regulations, rulings and judicial decisions. This opinion relates only to the exemption of interest on the Series 2018 Bonds for State income tax purposes.

Certain current and other future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Series 2018 Bonds to be subject, directly or indirectly and retroactively, to federal income taxation or to be subject to or exempted from the state income taxation, or otherwise prevent Holders from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such current or future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2018 Bonds. Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Series 2018 Bonds by the Bank are subject to the approval of Bond Counsel whose approving opinion will be delivered concurrently with the delivery of Series 2018 Bonds. Bond Counsel has not been requested to review any information contained in this Official Statement or the Appendices hereto, other than the information pertaining to the Series 2018 Bonds under the captions "LITIGATION", "TAX MATTERS", "LEGAL MATTERS", and "CONTINUING DISCLOSURE", and expresses no opinion thereon and assumes no responsibility in connection therewith. Certain legal matters will be passed upon for the Bank by its counsel, Balch & Bingham LLP, Jackson, Mississippi and for the City by its counsel, Christopher J. Latimer, Mitchell, McNutt & Sams, P.A., Oxford, Mississippi.

Bond Counsel for the Bank is also serving as Bond Counsel to the City in connection with the execution and delivery of the Qualified Obligation.

The remedies available to the Trustee, to the Bank, or to the owners of the Series 2018 Bonds upon an Event of Default under the Indenture or under the terms of the Qualified Obligation purchased by the Bank are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically the Bankruptcy Code, the remedies provided in the Indenture and under the Qualified Obligation may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2018 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the State and the United States of America.

RATINGS

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), has assigned an insured rating of "____" (_____ outlook) to the Bonds with the understanding that upon delivery of the Bonds, a municipal bond insurance policy guaranteeing the timely payment of principal of and interest on the Bonds will be issued by BAM. Explanations of such ratings may be obtained from S&P, 55 Water Street, New York, New York 10041. This rating reflects only the view of S&P and the City makes no representation as to the appropriateness of this rating. There is no assurance that such ratings will continue for any given period of time or that it will not be revised or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. Any such revisions or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Moody's Investors Service, Inc., a Delaware corporation ("Moody's") has assigned an underlying rating of "____" (_____ outlook) to the Bonds. This rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency. The rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. Any downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

[BOND INSURANCE

Bond Insurance Policy. Concurrently with the issuance of the Bonds, _____ (“_____”) will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.]

CONTINUING DISCLOSURE

On November 10, 1994, the Securities and Exchange Commission (the "Commission") amended Rule 15c2-12 which was originally adopted by the Commission in 1989 under the Securities Exchange Act of 1934 and set forth certain disclosure requirements relating to a primary offering of municipal securities. The amendments to Rule 15c2-12, which are effective beginning July 3, 1995, add to the existing disclosure obligations relating to municipal securities by requiring that, prior to purchasing or selling municipal securities, brokers, dealers and municipal securities dealers must reasonably determine that the issuer of such municipal securities, together with any other "obligated persons," within the meaning of Rule 15c2-12, have entered into an undertaking for the benefit of bondholders to make certain information available to bondholders on a continuing basis. The City is an "obligated person" with respect to the Series 2018 Bonds within the meaning of Rule 15c2-12.

The Municipality has entered into a Continuing Disclosure Agreement for the benefit of holders of the Bonds wherein the Municipality has agreed to provide annually certain financial information and operating data relating to the Municipality (the "Annual Reports"), and to provide notices through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB). The Annual Reports and notices of material events will be filed by the Municipality through the EMMA system (or such other system as may be subsequently authorized by the MSRB). The specific nature of the information to be contained in the Annual Reports or the notices of material events and the other provisions of the Continuing Disclosure Agreement are set forth in "**APPENDIX E**" hereto. A failure by the Municipality to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission of the United States of America and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Municipality's intention is to file the information required under the continuing disclosure undertaking for the Bonds in a complete and timely manner and the Municipality has hired an independent agent to monitor compliance within sixty (60) days of closing and throughout the term of the Bonds. The Municipality has also signed up for the EMMA tickler system reminders.

The Municipality is obligated to make continuing disclosure filings under agreements entered into with respect to the Series 2007 Bonds dated March 1, 2007, the Series 2009 Bonds

dated April 1, 2009, the Series 2009 Bonds dated November 1, 2009, the Series 2013 Bonds dated May 17, 2013, the Series 2013 Bonds dated June 13, 2013, the Series 2015 Bonds dated June 1, 2015, and the Series 2016A and Series 2016B Bonds dated October 15, 2016, each of which require annual operating information and financial statements to be filed annually, and the Series 2011 Bonds, which requires annual operating information, financial statements and a budget to be filed annually. These continuing disclosure agreements set forth various deadlines for filing financial statements. As new continuing disclosure agreements are entered into and the obligations under prior continuing disclosure agreements terminate, the Municipality's goal is to make the information required to be filed and the submission deadlines uniform to facilitate compliance.

In three of the past five years, the Municipality has failed to file Audited Financial Statements by the submission dates required by some of the continuing disclosure agreements that were in effect. In two instances, the Municipality also failed to file a "Notice of Failure to File" its Audited Financial Statements. The Annual Reports for the past five fiscal years were timely filed under most continuing disclosure agreements, but the Municipality failed to file the Annual Reports under all of the applicable CUSIPs. The 2016 Annual Report was mislabeled as the 2015 Annual Report; this error will be corrected by the Municipality. There was also a late filing of the Budget Report for several fiscal years.

The Audited Financial Statements for September 30, 2017, will be filed as soon as available.

MUNICIPAL ADVISOR

The City has retained the firm of Government Consultants, Inc., Madison, Mississippi, as independent registered municipal advisor (the "Municipal Advisor") to the City in connection with the issuance of the Series 2018 Bonds. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the City with respect to the preparation of documents, the preparation for the sale of the Series 2018 Bonds at the time of the sale, market conditions, and other factors related to the sale of the Series 2018 Bonds.

UNDERWRITING

The Series 2018 Bonds have been sold by negotiated sale to Raymond James & Associates, Inc. Memphis, Tennessee (the "Underwriter"), and the Underwriter has agreed, subject to certain conditions set forth in the Bank Bonds Purchase Agreement among the Underwriter, the Bank, and the City, to purchase all of the Series 2018 Bonds from the Bank at a purchase price of \$_____ (representing the par amount of the Series 2018 Bonds plus a net original issue premium of \$_____ and less an underwriter's discount of \$_____). No assurance can be given that any trading market will develop for the Series 2018 Bonds after their initial sale to said Underwriter. The City has no control over the prices at which the Series 2018 Bonds will initially be reoffered to the public.

VALIDATION

Prior to issuance, the Series 2018 Bonds will be validated before the Chancery Court of the First Judicial District of Harrison County, Mississippi, as provided by Sections 31-13-1 to 31-13-11, Mississippi Code of 1972, as amended.

MISCELLANEOUS

The Bank's offices are located at 735 Riverside Drive, Suite 300, Jackson, Mississippi 39202, telephone (601) 355-6232.

All quotations from, and summaries and explanations of, the Act, the Indenture and the Qualified Obligation contained in this Official Statement do not purport to be complete, and reference is made to each such document or instrument for full and complete statements of its provisions. The attached appendices are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in reasonable quantity of the Act, the Indenture, the Qualified Obligation, and the supplemental materials furnished to the Bank by the City may be obtained upon written request to the Bank.

Neither any advertisement of the Series 2018 Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Series 2018 Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed, and delivered by the Bank. The Bank will provide copies of this Official Statement to be distributed to the purchasers of the Series 2018 Bonds.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

APPENDIX A

INFORMATION CONCERNING THE CITY

ECONOMIC AND DEMOGRAPHIC INFORMATION

General Description. The Municipality, the county seat of the County, is located in the northeastern section of the County. The Municipality, originally named “Boardtown,” was renamed “Starkville” in 1834 in honor of General John Stark, a hero of the American Revolution. The Municipality is located 125 miles northeast of Jackson, the capital city of the State, 130 miles southwest of Birmingham, Alabama, 165 miles southeast of Memphis, Tennessee, and 286 miles northeast of New Orleans, Louisiana.

Mississippi State University of Agriculture and Applied Science (the “University”) is located primarily immediately adjacent to the Municipality, with only a small portion on the western edge of the University within the boundaries of the Municipality. The University is an important factor in the Municipality’s growth and development. The University was established by the Legislature in 1878 as a Land Grant Institution and is comprised of ten colleges and schools that offer 120 majors.

The County, located in the northeastern prairie soil area of the State, was named for the Indian word meaning “bloody water,” and has a land area of 459 square miles. Twenty-six of the existing eighty-two counties in the State were in existence before the County was formally organized on December 23, 1833, from a portion of the Choctaw Territory ceded by the Treaty of Dancing Rabbit Creek in 1830.

Population. The population of the Municipality and the County have been recorded as follows:

	<u>2016</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
The Municipality	25,570	23,888	21,869	18,474	16,139
The County	49,833	47,671	42,902	38,404	36,060

SOURCE: United States Department of Commerce, Census data at www.census.gov.

Government. The Municipality operates under a Code Charter approved in May, 1837, and is governed by the Mayor and Board of Aldermen, consisting of seven aldermen who are elected from separate precincts or wards. The Mayor is elected at-large. The Mayor and members of the Board of Aldermen are elected for four year terms which run concurrently.

The current Mayor and members of the Board of Aldermen are:

<u>Name</u>	<u>Occupation</u>	<u>Position Held Since</u>
Lynn Spruill	Mayor	2017
Ben Carver	MSU Center for Governmental Training	2009
David Little	Insurance Claims Adjuster	2013
Patrick Miller	MSU Extension Service	2017
Roy A’. Perkins	Attorney	1993
Sandra C. Sistrunk	Accountant	2017
Henry N. Vaughn, Sr.	Shipping/Receiving Supervisor	2009
Jason Walker	Professor at Mississippi State University	2013

Transportation. Access to the Municipality is available by several means. U. S. Highway 82 and State Highways 12, 25, 182 and 389 serve the immediate area. A number of county highways provide access to many outlying areas in the County.

Rail service is provided to the Municipality by the Kansas City Southern Railroad. Several common carriers are authorized to serve the Municipality. The nearest commercial airport is Golden Triangle Regional Airport in Lowndes County, 15 miles from the Municipality. Bryan Field is located within the County a distance of three miles from the Municipality. The nearest port is the Lowndes County Port, which has a channel depth of nine feet and is located 22 miles distant in Lowndes County on the Tennessee-Tombigbee Waterway.

Per Capita Income.

<u>Year</u>	<u>County</u>	<u>Mississippi</u>	<u>United States</u>	<u>County as % of U. S.</u>
2016	31,408	35,936	49,571	63.36%
2015	30,445	34,771	48,112	63.27%
2014	29,636	34,431	46,049	64.40%
2013	29,653	33,913	44,765	66.24%
2012	29,105	33,446	44,200	65.85%
2011	28,588	32,108	42,332	67.53%
2010	27,484	30,834	40,144	68.46%

SOURCE: United States Department of Commerce, Bureau of Economic Analysis
www.bea.gov.

Major Employers. The following is a partial listing of the Municipality's major employers, their products or services and their approximate number of employees:

<u>Employer</u>	<u>Employees</u>	<u>Product/Service</u>
Mississippi State University	4,500	Education
Sitel	900	Computer call center
Starkville School District	800	Education
Oktibbeha County Hospital	652	Health care
Wal-Mart Stores, Inc.	500	Retail
Flexsteel Industries, Inc.	370	Furniture manufacturing
Southwire Company	280	Wire and cable
City of Starkville	260	Local government
Weavexx	260	Felt
Oktibbeha County School District	215	Education
NE Miss. Coca-Cola Distributors	185	Sales and distribution
Gulf States Manufacturing	175	Commercial steel buildings
Oktibbeha County	150	Government
Garan Manufacturing Company	140	Management headquarters for children's clothing company

Retail Sales.

<u>State Fiscal Year</u> <u>Ended June 30</u>	<u>Starkville</u>	<u>Oktibbeha County</u>
2016	\$531,523,901	\$793,499,323
2015	488,569,075	719,169,505
2014	457,518,130	654,401,207
2013	443,596,476	606,567,774
2012	433,467,830	599,137,317

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Sales Tax Rebates from State. The State rebates monthly 18.5% of the total State sales tax for all sales originating within the Municipality; this rebate may be used for any lawful purpose. Sales tax rebates from the State to the Municipality are as follows:

<u>State Fiscal Year</u> <u>Ended June 30</u>	<u>Amount</u>
2016	\$6,805,249
2015	6,350,826
2014	5,884,847
2013	5,666,165
2012	5,579,998
2011	5,283,053

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Employment Statistics of the County.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Residence Based Amounts.</i>					
Civilian Labor Force	21,030	20,720	22,100	22,550	23,000
Unemployed	1,900	1,780	1,590	1,410	1,260
Unemployment Rate	9.0	8.6	7.2	6.3	5.5
Employed	19,130	18,940	20,510	21,140	21,740
<i>Establishment Based Amounts.</i>					
Manufacturing	1,420	1,400	1,500	1,620	1,660
Nonmanufacturing	19,430	19,690	20,290	20,410	20,600

SOURCE: Mississippi Department of Employment Security, website: www.mdes.ms.gov
Annual Averages, Labor Force and Establishment Based Employment.

Educational Facilities. Starkville Oktibbeha Consolidated School District (the “District”) is one of the largest school districts in the state, with a student enrollment of more than 4,300.

Students in preschool through grade 12 in the District are housed in seven school plants. Emerson Preschool is a licensed preschool that provides year-round comprehensive developmentally appropriate program for young children. Emerson is currently enrolling children ages 2 to 5.

Sudduth Elementary School and West Oktibbeha Elementary School serve kindergarten through grade two students. Henderson Ward Elementary School serves grades three through five. East Oktibbeha Elementary School serves kindergarten through grade five.

Armstrong Middle School serves grades six through eight and was constructed in 1976. An addition was completed in 1996 and additional renovations were completed in 1999.

Starkville High School serves grades nine through twelve and was constructed in 1961 with additions in 1976, 1984, 1987 and 1998. Also on the Starkville High School campus is Millsaps Vocational Center which was constructed in 1972 and renovated in 1998.

The administrative office for the District is located in the Greensboro Center which is the renovated former Starkville High School. The building was constructed in 1927-29 and was extensively renovated in 1987. The facility now also serves as a civic center for the Municipality and surrounding area.

Related facilities of the District include a bus transportation complex, a maintenance building, an athletic complex, three gymnasiums, a baseball field, a softball field and a newly constructed football stadium with an approximate seating capacity of 6,500.

Enrollment figures for the District for the scholastic year 2016-2017 and for the four preceding years are as follows:

Scholastic Year

Enrollment

2017-18	5,117
2016-17	5,175
2015-16*	5,152
2014-15	4,378
2013-14	4,281
2012-13	4,302

SOURCE: Mississippi Department of Education website: www.mde.k12.ms.us

*The Municipality School system merged with Oktibbeha County beginning in the 2015-2016 school year.

TAX INFORMATION

Assessed Valuation.

<u>Assessment Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Utility Property</u>	<u>Total</u>
2017	\$187,675,537	\$53,040,836	\$1,759,249	\$242,475,622
2016	182,103,479	52,298,211	1,839,272	236,240,962
2015	173,918,688	48,709,628	1,879,960	224,508,276
2014	171,415,194	49,386,184	1,922,383	222,723,761
2013	164,020,584	47,043,050	2,794,780	213,858,414
2012	160,234,738	49,236,924	3,229,590	212,701,252

SOURCE: Office of the City Clerk, February 2018.

The above assessed valuations are based upon the following assessment ratios: real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value; single-family owner-occupied residential real property, 10 percent of true value; motor vehicles and public utility property, 30 percent of true value.

Procedure For Property Assessments. Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the county tax assessor. All taxable real property situated in the Municipality is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the county tax assessor and are delivered to the Governing Body on the first Monday in July. Thereafter, the assessments are equalized by the Governing Body and notice is given to the taxpayers that the Governing Body will meet to hear objections to the assessments. After objections are heard, the Governing Body adjusts the rolls and submits them to the Mississippi Department of Revenue, which examines them on receipt. The Mississippi Department of Revenue may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls to the Governing Body to be corrected in accordance with the recommendations of the Mississippi Department of Revenue. If the Governing Body has any objections to the order of the Mississippi Department of Revenue, it may arrange a hearing before such agency. Otherwise, the assessment roll is finalized and

submitted to the county tax collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the Mississippi Department of Revenue. With minor exceptions the property of public utilities is assessed each year by the Mississippi Department of Revenue.

Homestead Exemption. The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the state level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the type and dollar amount of property that may come within the exemption.

Those homeowners who qualify for homestead exemption and who have reached the age of 65 years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those classified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. No taxing unit may be reimbursed an amount in excess of 106 percent of the total net reimbursement made to such taxing unit in the next preceding year.

Tax Levy Per \$1,000 Valuation.

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>General Purposes.</i>					
General Revenue Purposes & General Improvements		\$21.98	\$21.98	\$21.98	\$20.00
		<u>\$21.98</u>	<u>\$21.98</u>	<u>\$21.98</u>	<u>\$20.00</u>
<i>School Purposes.</i>					
District Maintenance	***	\$51.46	\$49.47	\$49.19	
Limited Tax Note & Int.	***	2.61	.12	.12	
Sinking Fund					
Millsaps Vocational Ct.	***	1.00	1.50	1.75	
1995 Bond & Int. Skg. Fd.	***	3.23	3.39	3.39	
2008 Bond & Int. Fd	***	8.27	8.48	8.51	
	***	<u>\$66.57</u>	<u>\$62.96</u>	<u>\$62.96</u>	

	***	<u>\$88.55</u>	<u>\$84.94</u>	<u>\$82.96</u>	

The Municipality also levies a tax of 2 mills for the development and growth of the downtown business district.

***The Municipality School system merged with Oktibbeha County beginning in the 2015-2016 school year.

SOURCE: Office of the City Clerk, February 2017.

Ad Valorem Tax Collections.

<u>Year Ended September 30</u>	<u>Taxes Due</u>	<u>Taxes Collected¹</u>	<u>Difference Over (Under)</u>
2015	\$4,642,000	\$4,722,698	\$80,698
2014	4,544,367	4,408,420	(\$135,947)
2013	4,083,500	4,239,600	156,100
2012	4,087,500	4,265,479	177,979

¹ Includes prior years' collections.

SOURCE: Office of the City Clerk, March 2016.

Procedure for Tax Collections. The Governing Body is required under the Act and the Bond Resolution to levy annually a special tax upon all taxable property within the Municipality sufficient to provide for the payment of the principal of and the interest on the Bonds, taking into account any moneys otherwise available for such purpose. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of one percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, as amended, provides that upon failure of a taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal property liable for unpaid taxes at the courthouse door of such county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in such county, one of which must be the courthouse, is required. Interest, fees, costs and expenses of sale are recoverable in addition to the taxes delinquent. If sufficient personal property cannot be found, the tax collector may make a list of debts due such taxpayer by other persons and sell such debts and is further directed to sell sufficient other properties of such taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, as amended, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in such county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The owner, or any person interested in the land sold for taxes, may redeem the land at any time within two years after the day of sale by paying all taxes, costs, interest and damages due to the chancery clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth (15th) day of February in each year with the sale of such lands to be held on the first Monday of April following said advertisement. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon lands or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

DEBT INFORMATION

Legal Debt Limit Statement.

	(as of February 1, 2018)	
	<u>15% Limit</u>	<u>20% Limit</u>
Authorized Debt Limit (Last Completed Assessment for Taxation - \$242,475,622)	\$36,371,343	\$48,495,124
Present Debt Subject to Debt Limits	<u>19,395,000</u>	<u>23,246,667</u>
Margin for Further Debt Under Debt Limits	\$16,976,343	\$25,248,458
Less: This Offering	<u>7,500,000</u>	<u>7,500,000</u>
Margin for Further Debt Under Debt Limits after Issuance of the Bonds	<u>\$9,476,343</u>	<u>\$17,748,458</u>

Statutory Debt Limits. The Municipality is subject to a general statutory debt limitation under which no county in the State may incur general obligation bonded indebtedness in an amount which will exceed 15 percent of the assessed value of all taxable property within such county according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of this 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospital, port or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15 percent limit above), may not exceed 20 percent of the assessed value of all taxable property within such county, but bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15 percent limitation and the 20 percent limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the 20 percent limitation. Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt.(as of February 1, 2018)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
Parks and Recreation Bonds	3/1/07	\$3,305,000
Public Improvement Bonds	4/1/09	690,000
Public Improvement Bonds	11/1/09	1,015,000
GO Refunding Bonds	3/22/11	1,185,000
GO Utility Refunding Bonds	10/18/12	2,079,256
GO Utility Refunding Bonds	5/17/13	1,160,000
Public Improvement Bonds	6/1/15	2,505,000
Public Improvement Bonds 2016A	10/15/16	3,000,000
Public Improvement Bonds 2016B	10/15/16	2,400,000
Taxable Public Improvement Bonds	10/12/2017	7,000,000
		<u>\$23,246,667</u>

Certificates of Participation.

(as of February 1, 2018)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
Certificates of Participation, Series 2013 ¹	6/5/13	\$5,820,000

¹ Subject to neither the 15 percent nor the 20 percent debt limitation.

Other Debt. The Municipality has entered into agreements with the State for Capital Improvements Revolving Loans and a Water Pollution Control Revolving Loan. Such loans are subject to neither the 15 percent nor the 20 percent debt limitation. The Municipality has also entered into a number of capital leases which are subject to annual appropriations and therefore subject to neither the 15 percent nor the 20 percent debt limitation. For additional information, see "APPENDIX B" hereto.**PERS Liability.**

The Municipality participates in the State of Mississippi Public Employees' Retirement System ("PERS"), a cost-sharing, multiple-employer retirement system administered by the State of Mississippi for the benefit of its local governments and State personnel. Benefit provisions, including employer contribution rates, are established by State statute and may be amended from time to time only by the State Legislature. The percentage that an employer is required to contribute was increased from 14.26% to 15.75% effective July 1, 2013, and remains 15.75%. The adequacy of these rates is assessed annually by actuarial valuation.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions ("GASB-68"). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (Fiscal Year 2015 for the Municipality). As a result of the implementation of GASB-68, in the financial statements of the Municipality for the fiscal year ending September 30, 2016, a net pension liability of \$29,082,225 has been recorded based on the portion of the total PERS unfunded actuarial accrued liability of \$17,862,497,000, as of June 30, 2016, that is attributable to the Municipality and the Municipality's Electric Department. Based on the reported unfunded actuarial accrued liability of \$16,623,394,000, as of June 30, 2017, a net pension liability of \$29,299,064 will be attributable to the Municipality, the Municipality's Electric Department, and the Municipality's Housing Authority.

For more information on the Municipality's pension plan and obligations, see "APPENDIX B" attached hereto.

APPENDIX B

FINANCIAL INFORMATION OF THE CITY

APPENDIX C

FORM OF BOND COUNSEL OPINION

_____, 2018

Mississippi Development Bank
Jackson, Mississippi

Re: \$_____Mississippi Development Bank Special Obligation Bonds, Series 2018
(Starkville, Mississippi, General Obligation Public Improvement Project)

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Mississippi Development Bank (the "Issuer") of its Mississippi Development Bank Special Obligation Bonds, Series 2018 (Starkville, Mississippi, General Obligation Public Improvement Project) (the "Bonds"), pursuant to an Indenture of Trust (the "Indenture"), dated as of _____, 2018, by and between Issuer and _____, as Trustee (the "Trustee"). The Series 2018 Bonds are being issued by the Issuer for the principal purpose of providing funds to the City of Starkville, Mississippi (the "City"), to finance certain public improvements in the City. We have examined the law and a certified transcript of proceedings of the Issuer relative to the authorization, issuance, and sale of the Series 2018 Bonds and such other papers as we deem necessary to render this opinion, including the Issuer's tax covenants and representations of the City made in the resolution adopted by the Mayor and Board of Aldermen of the City on _____, 2018 (the "Municipality Resolution") for the authorization, issuance, and sale of the City's General Obligation Public Improvement Bonds, Series 2018 (the "Qualified Obligation"), dated as of _____, 2018, by and between the City and the Issuer and certain certificates of the City (collectively, the "Tax Representations and Covenants").

We have relied upon the certified transcript of proceedings and other certificates of public officials, including the Tax Representations and Covenants, and have not undertaken to verify any facts by independent investigation.

Capitalized terms not defined herein shall have the definitions set forth in the Indenture and the Municipality Resolution.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are the valid and binding limited obligations of the Issuer enforceable in accordance with the terms thereof. The Bonds are payable from and secured only by the certain payments and funds to be received by the Issuer and the Trustee and pledged to the Bonds under the Indenture.
2. The Indenture is a valid and binding agreement of the Issuer enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Funds and Accounts and the payments due on the Qualified Obligation, including the investments thereof, subject to the application thereof to the purposes and on the conditions permitted by the Indenture.

3. Under statutes, decisions, regulations, and rulings existing on this date, interest on the Bonds is exempt from income taxation in the State of Mississippi. This opinion relates only to the tax exemption of interest on the Bonds from State income tax.

4. Under federal statutes, decisions, regulations, and rulings existing on this date, (a) interest on the Bonds is excludable from gross income for purposes of federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended and in effect on this date (the "Code") and (b) the Bonds are not "specified private activity bonds" and interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporation. The opinions set forth in the immediately preceding sentence are subject to the condition that the City comply with all requirements of the Code, compliance with which subsequent to the issuance of the Bonds is necessary in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The City has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

5. To the best of our knowledge, the information contained in the Official Statement under the captions "INTRODUCTION," "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS," "DESCRIPTION OF THE SERIES 2018 BONDS," "APPLICATION OF THE PROCEEDS OF THE SERIES 2018 BONDS," "THE INDENTURE," "THE QUALIFIED OBLIGATION," "TAX MATTERS," "LEGAL MATTERS," "CONTINUING DISCLOSURE," and "MISCELLANEOUS" insofar as such information purports to summarize certain provisions of the bond documents, presents a fair and accurate summary of such provisions. to the best of our knowledge, the information under the aforesaid captions also does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

It is to be understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,

JONES WALKER LLP

APPENDIX D

DEFINITIONS

Accounts

"Accounts" shall mean the accounts created pursuant to the Indenture.

Act

"Act" shall mean the Bank Act and the Municipal Improvements Act.

Authorized Officer

"Authorized Officer" shall mean the President, Vice President, or Executive Director or Secretary of the Bank or such other person or persons who are duly authorized to act on behalf of the Bank.

Authorized Purposes

"Authorized Purpose" shall mean establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; protecting the municipality, its streets and sidewalks from overflow, caving banks and other like dangers; planning, constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor, and/or purchasing street traffic control devices and signalization; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect or guide the current thereof.

Bank

"Bank" shall mean the Mississippi Development Bank, a public body corporate and politic of the State, exercising essential public functions and organized under the provisions of the Bank Act.

Bank Act

"Bank Act" shall mean Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

Bond or Bonds

"Bond or Bonds" shall mean the Series 2018 Bonds and any Refunding Bonds.

Bond Counsel

"**Bond Counsel**" means an attorney or firm of attorneys approved by the Municipality and the Bank which are nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law. Jones Walker LLP, Jackson, Mississippi, is serving as Bond Counsel in connection with the

authorization, issuance, sale, validation, and delivery of the Qualified Obligation and the Series 2018 Bonds.

Bondholder

"Bondholder", "Holder" or "holder of Bonds" or "owner of Bonds" or any similar term shall mean the Registered Owner of any Bond in whose name a Bond is registered in the Bond Register.

Bond Insurance Policy

"Bond Insurance Policy" shall mean the municipal bond insurance policy issued by the Bond Insurer, if any, guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

Bond Insurer

"Bond Insurer" shall mean _____, guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

Bond Issuance Expense Account

"Bond Issuance Expense Account" shall mean the account by that name created by the Indenture.

Bond Register

"Bond Register" shall mean the registration records of the Bank kept by the Trustee to evidence the registration and transfer of the Bonds.

Business Day

"Business Day" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or Jackson, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (d) any day the City Hall in Starkville, Mississippi, is closed, or (e) a day on which the New York Stock Exchange is closed.

City

"City" shall mean the City of Starkville, Mississippi, or any successor thereto.

Closing Date

"Closing Date" shall mean, in connection with the Series 2018 Bonds, the date on which the Series 2018 Bonds are delivered by the Bank to, and paid for by, the Underwriter.

Code

"Code" or "Internal Revenue Code" shall mean the Internal Revenue Code of 1986, as amended, and all applicable Treasury Regulations promulgated thereunder.

Costs of Issuance

"Costs of Issuance" shall mean any and all costs and expenses relating to the issuance, sale and delivery of the Series 2018 Bonds, and the execution and delivery of the Qualified Obligation, the Indenture and the Qualified Obligation, including, but not limited to, all fees and expenses of legal counsel, financial consultants, feasibility consultants and accountants, the initial fees and expenses of the Trustee, any fee to be paid to the Bank, bond or reserve fund insurance premiums, credit enhancements or liquidity facility fees, the preparation and printing of this Qualified Obligation, the Qualified Obligation, the Indenture, any preliminary official statement and final official statement, the Series 2018 Bonds, and all other related closing documents, and all other expenses relating to the issuance, sale and delivery of the Series 2018 Bonds required to be paid from the proceeds of the Series 2018 Bonds.

Counsel

"Counsel" shall mean an attorney duly admitted to practice law before the highest court of any state and approved by the Bank and the Trustee.

Default

"Default" shall mean an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

Event of Default

"Event of Default" shall mean any occurrence or event specified in the Indenture.

Funds

"Funds" shall mean the funds created pursuant to the Indenture (other than the Rebate Fund).

General Account

"General Account" shall mean the account by that name created by the Indenture.

General Fund

"General Fund" shall mean the fund by that name created by the Indenture.

Governmental Obligations

"Governmental Obligations" shall mean to the extent permitted by State law (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to: U. S. Treasury obligations, Farmers Home Administration (or the successor thereto), General Services Administration, Guaranteed Title XI financing, Government National Mortgage Association (GNMA); and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by State law.

All Government Obligations must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the Series 2018 Bonds (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

Indenture

"Indenture" shall mean this Indenture of Trust, and all supplements and amendments hereto entered into by and between the Bank and the Trustee, dated as of _____, 2017.

Interest Payment Date

"Interest Payment Date" shall mean any date on which interest is payable on the Bonds, and for the Series 2018 Bonds, _____ 1 and _____ 1, commencing _____ 1, 20____.

Investment Securities

"Investment Securities" means any of the following to the extent such investments are permitted by State law: (a) obligations of the State, any municipality of the State or the United States of America rated at least "A" by S&P or Moody's; (b) obligations the principal and interest of which are fully guaranteed by the State or the United States of America; (c) obligations of any corporation wholly owned by the United States of America; (d) obligations of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; (e) obligations of insurance firms or other corporations whose investments are rated "AA" or better by recognized rating companies; (f) certificates of deposit or time deposits of qualified depositories of the State as approved by the State Depository Commission, secured in such manner, if any, as the Bank shall determine; (g) contracts for the purchase and sale of obligations of the type specified in items (a) through (e) above; (h) repurchase agreements secured by obligations specified in items (a) through (e) above; or (i) money market funds, rated "AAm" or "AAM-G" or better by S&P, the assets of which are required to be invested in obligations specified in items (a) through (f) above.

General Account

"General Account" shall mean the account by that name created by the Indenture.

Local Governmental Units

"Local Governmental Units", as defined in the Bank Act, shall mean (a) any county, municipality, utility district, regional solid waste authority, county cooperative service district or political subdivision of the State, (b) the State or any agency thereof, (c) the institutions of higher learning of the State, (d) any education building corporation established for institutions of higher learning, or (e) any other governmental unit created under State law, such as the City.

Moody's

"Moody's" shall mean Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Bank) by written notice to the Trustee.

Municipal Improvements Act

"Municipal Improvements Act" shall mean Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time.

Notice Address

"Notice Address" shall mean, with respect to the City, the City's address given in connection with the execution and delivery of the Qualified Obligation to the Bank, and, with respect to the Bank, the Trustee and the Underwriter:

Bank: Mississippi Development Bank
723 Riverside Drive, Suite 300
Jackson, MS 39202
Attention: Executive Director

Trustee: Whitney Bank d/b/a Hancock Bank
Suite Q 230
The Quarter Specialty Center
1855 Lakeland Drive
Jackson, Mississippi 39216
Attention: Susan R. Tsimortos

Underwriter: Raymond James & Associates, Inc.
50 N Front Street
Memphis, TN 38103
Attention: Public Finance

Opinion of Bond Counsel

"Opinion of Bond Counsel" shall mean an opinion by a nationally recognized firm experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law, and which is acceptable to the Bank and the Trustee.

Opinion of Counsel

"Opinion of Counsel" shall mean a written opinion of Counsel addressed to the Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in this Indenture) be Counsel to the Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

Outstanding

"Outstanding" or "Bonds Outstanding" shall mean all Bonds which have been authenticated and delivered by the Trustee under this Indenture, including Bonds held by the Bank, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under the Indenture; and
- (c) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

Project

"Project" means providing funds (a) to finance the costs of the Authorized Purpose and (b) for related purposes, including, without limitation, paying the costs of issuance for the Qualified Obligation and the Series 2018 Bonds.

Qualified Obligation

"Qualified Obligation" shall mean the General Obligation Public Improvement Bond, Series, 2018, of the Municipality, issued pursuant to the Act.

Municipality Resolution

"Municipality Resolution" shall mean the resolution of the Mayor and Board of Aldermen of the City adopted on _____, 2018, in connection with the Series 2018 Bonds and Qualified Obligation.

Program

"Program" means the Bank's program for purchasing securities of or making loans to "local governmental units" pursuant to the Act, including the Bank's purchase of the Qualified Obligation.

Program Expenses

"Program Expenses" means all of the fees and expenses of the Trustee relating to the Bonds or Qualified Obligation and costs of determining the amount rebatable, if any, to the United States of America under Section 6.09 hereof, all to the extent properly allocable to the Program and approved in writing by the Bank.

Project

"Project" means providing funds (a) to finance the costs of the Authorized Purpose and (b) for related purposes, including, without limitation, paying the costs of issuance for the Qualified Obligation and the Bonds.

Purchase Account

"Purchase Account" means the account by that name created by Section 6.02 hereof.

Qualified Obligation Payment

"Qualified Obligation Payment" shall mean the amounts paid or required to be paid, from time to time, for principal of, premium, if any, and interest on a the Qualified Obligation held by the Trustee pursuant to the Indenture.

Qualified Obligation Purchase Agreement

"Qualified Obligation Purchase Agreement" means that certain Qualified Obligation Purchase Agreement, dated _____, 20____, by and between the Municipality and the Bank in connection with the sale and issuance of the Qualified Obligation.

Rebate Fund

"Rebate Fund" shall mean the fund by that name created by the Indenture.

Record Date

"Record Date" shall mean, with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date.

Redemption Account

"Redemption Account" shall mean the account by that name created by the Indenture.

Redemption Price

"Redemption Price" shall mean, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

Refunding Bonds

"Refunding Bonds" shall mean Bonds issued pursuant to the Indenture and any Supplemental Indenture.

Registered Owner

"Registered Owner" shall mean the person or persons in whose name any Bond shall be registered on the Bond Register.

Revenues

"Revenues" shall mean the Funds and Accounts and all income, revenues and profits of the Funds and Accounts referred to in the granting clauses hereof including, without limitation, all Qualified Obligation Payments, and any additional amount paid to the Trustee under the Qualified Obligation.

Series 2018 Bonds

"Series 2018 Bonds" shall mean the Mississippi Development Bank Special Obligation Bonds, Series 2018 (City of Starkville, Mississippi, General Obligation Public Improvement Project).

S&P

"S&P" shall mean Standard & Poor's Credit Market Services, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the City (with the approval of the Bank) by written notice to the Trustee.

Security Documents

"Security Documents" shall mean this Indenture, the Qualified Obligation, and the Series 2018 Bonds.

Series 2018 Bonds

"Series 2018 Bonds" shall mean the \$_____ Mississippi Development Bank Special Obligation Bonds (Starkville, Mississippi, General Obligation Public Improvement Project), Series 2018.

State

"State" shall mean the State of Mississippi.

Supplemental Indenture

"Supplemental Indenture" shall mean an indenture supplemental to or amendatory of this Indenture, executed by the Bank and the Trustee in accordance with the Indenture.

Treasury Regulations

"Treasury Regulations" shall mean all proposed, temporary or permanent federal income tax regulations then in effect and applicable.

Trust Estate

"Trust Estate" shall mean the property, rights, and amounts pledged and assigned to the Trustee pursuant to the Indenture.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Disclosure Agreement”) is dated as of _____, 20____, by and between the City of Starkville, Mississippi (the “City”), in connection with the issuance of \$_____ Mississippi Development Bank Special Obligation Bonds, Series 2018 (City of Starkville, Mississippi, General Obligation Public Improvement Project) (the “Series 2018 Bonds”). The Series 2018 Bonds are being issued pursuant to an Indenture of Trust (the “Indenture”) dated as of _____, 20____, between the Mississippi Development Bank (the “Bank”) and _____, as Trustee (the “Trustee”). The proceeds of the Series 2018 Bonds will be used by the Bank to purchase the General Obligation Public Improvement Bond, Series 2018, of the City, dated as of _____, 20____ (the “Qualified Obligation”), for the purpose of public infrastructure improvements in the City.

The City covenants and agrees as follows:

SECTION 1. Purpose. This Disclosure Agreement is being executed and delivered by the City for the benefit of the holders and Beneficial Owners of the Series 2018 Bonds and in order to assist the Underwriter in complying with the Rule.

SECTION 2. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed to them below. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the below defined Indenture.

“Annual Report” means any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2018 Bonds (including persons holding Series 2018 Bonds through nominees, depositories, or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

“**Bondholder**” or “**holder of Bonds**” or “**owner of Bonds**” or any similar term shall mean the Registered Owner of a Series 2018 Bond.

“Dissemination Agent” means a banking institution or other person or entity appointed by resolution of the Municipality as the Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Municipality and which has provided the Municipality a written acceptance of such designation.

“EMMA” means MSRB’s Electronic Municipal Market Access system on the MSRB Website.

“Listed Event” means any of the events listed in Section 5 of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

“MSRB Website” means www.emma.msrb.org.

“National Repository” means (a) MSRB’s EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

“Official Statement” means the Official Statement dated _____, 20____, pertaining to the Series 2018 Bonds.

“Repository” means each National Repository and the State Repository.

“**Registered Owner**” shall mean the person or persons in whose name any Series 2018 Bond is registered on the Bond Register.

“Required Electronic Format” means the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“**SEC**” shall mean the Securities and Exchange Commission.

“State” means the State of Mississippi.

“State Repository” means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Agreement, there is no State Repository.

“Submission Date” means the date on which the Annual Report is submitted to the Repositories pursuant to Section 3 of this Disclosure Agreement, which shall be a date not later than twelve (12) months after the end of the Municipality's fiscal year (presently September 30), commencing with the report for the 2018 fiscal year.

“**Underwriter**” shall mean Raymond James & Associates, Inc., Memphis, Tennessee.

SECTION 3. General. Nothing in this Disclosure Agreement shall prevent the City from disseminating any information in addition to that required by this Disclosure Agreement. If the City disseminates any such additional information, the City shall not have any obligation to update such information or include it in any further materials disseminated.

SECTION 4. City Undertaking. The City hereby agrees for the benefit of the Registered Owners and the Beneficial Owners of the Series 2018 Bonds to provide to each Repository, in a timely manner, notice of any Listed Events and to deliver, or cause to be delivered, together with any accompanying information:

(a) To each Repository no later than one (1) year after the end of each fiscal year of the City:

(1) the Annual Report relating to such fiscal year together with audited financial statements of the City for such fiscal year if audited financial statements are then publicly available; provided, however, that if audited financial statements of the City are not then

publicly available, the City shall deliver or cause to be delivered such audited financial statements, if any, to each Repository, within thirty (30) days of when they become publicly available; or

(2) notice of the failure of the City to provide the Annual Report; and

(b) To each Repository in a timely manner, notice of any Listed Events; and

(c) To each Repository, in writing, in a timely manner, notice of any event which, in the opinion of an authorized officer of the City had, or will have, a material effect on the financial condition or operations of the City.

SECTION 5. Listed Events. (a) In addition to the provisions of Section 4 above, the City shall give or cause to be given notice of the occurrence of any of the following Listed Events with respect to the Series 2018 Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof, if material. All fifteen (15) events mandated by the Rule are listed below; however, some may not apply to the Series 2018 Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on the credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modification to rights of security holders.

(8) Bond calls.

(9) Tender offers.

(10) Defeasances.

(11) Release, substitution or sale of property securing repayment of the securities.

(12) Rating changes.

(13) Bankruptcy, insolvency, receivership or similar event of the City.

(14) Consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary

course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

(15) The appointment of a successor or additional trustee or the change of name of a trustee.

(b) Any Listed Event under subsection (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) of this Section will always be deemed to be material.

SECTION 6. Financial Statements. The annual financial statements required of the City hereunder shall be prepared in accordance with generally accepted accounting principles in effect from time to time. Such financial statements shall be audited by an independent account.

SECTION 7. Remedies. This Disclosure Agreement is enforceable in accordance with its terms by any Bondholder either directly or as a third party beneficiary. Any Bondholder shall have the rights, for the equal benefit and protection of all Bondholders, by mandamus or other suit or proceeding at law or in equity, to enforce its rights against the City and any of the officers, agents, and employees of the City, and to compel the City or any such officers, agents, or employees to perform and carry out their duties under their respective undertakings; provided that such rights shall be limited to an action to compel specific enforcement of the obligations of the City hereunder and shall not include any rights to monetary damages.

Except as set forth in the preceding paragraph, the Trustee shall not be obligated or liable to any holder of the Series 2018 Bonds or other party with respect to any aspect of the implementation, operation, or enforcement of any undertaking set forth herein.

SECTION 8. Amendments. This Disclosure Agreement may be amended, changed, or modified pursuant to a written instrument signed by the City and the Trustee, without the consent of any of the Bondholders (a) to comply with the provisions of the Rule, (b) to cure any ambiguity, remedy any omission, or cure or correct any defect or inconsistent provision in the undertakings of the City, or (c) if the City makes a determination that any such amendment will not have a material adverse effect on the interest of the Bondholders; provided, that any such amendment, change, or modification comply with the provisions of the Rule.

SECTION 10. Parties in Interest; Governing Law. This Disclosure Agreement is executed and delivered for the sole benefit of the holders of the Series 2018 Bonds, the Bank, the City, and the Underwriter and shall be governed by the laws of the State.

SECTION 11. Termination. The undertaking of the City hereunder shall terminate on the earlier of (a) such date that the Rule, or the provisions thereof are no longer effective or (b) the date upon which there are no outstanding Series 2018 Bonds.

SECTION 12. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the City has caused this Disclosure Agreement to be executed by its officers, duly authorized, all as of the date first above written.

CITY OF STARKVILLE, MISSISSIPPI

(seal)

By: _____
Mayor

ATTEST:

By: _____
City Clerk

[APPENDIX F

SPECIMEN OF BOND INSURANCE POLICY]

EXHIBIT D

INDENTURE OF TRUST

INDENTURE OF TRUST

by and between

MISSISSIPPI DEVELOPMENT BANK

and

**WHITNEY BANK D/B/A HANCOCK BANK,
as Trustee**

DATED AS OF _____, 20__

RELATING TO THE ISSUANCE OF

\$ _____

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BONDS, SERIES 2018
(STARKVILLE, MISSISSIPPI,
GENERAL OBLIGATION PUBLIC IMPROVEMENT PROJECT)**

ARTICLE I.	DEFINITIONS AND RULES OF INTERPRETATION	2
SECTION 1.01.	Definitions.....	2
SECTION 1.02.	Rules of Interpretation.	11
ARTICLE II.	AUTHORIZATION AND ISSUANCE OF BONDS.....	11
SECTION 2.01.	Authorization and Issuance of Bonds.	12
SECTION 2.02.	Purpose and Disposition of Bonds.....	12
SECTION 2.03.	General Description of the Bonds.....	13
SECTION 2.04.	Provisions for Issuance of Bonds.....	13
SECTION 2.05.	Form of Bonds.	14
SECTION 2.06.	Book-Entry Only System.....	21
SECTION 2.07.	Successor Securities Depository; Transfers Outside Book-Entry Only System.....	22
SECTION 2.08.	Payments and Notices to Cede & Co.....	22
ARTICLE III.	GENERAL TERMS AND PROVISIONS OF BONDS.....	22
SECTION 3.01.	Medium, Form and Place of Payment.....	22
SECTION 3.02.	Legends.	23
SECTION 3.03.	Execution.	23
SECTION 3.04.	Authentication.....	23
SECTION 3.05.	Mutilated, Lost, Stolen or Destroyed Bonds.....	23
SECTION 3.06.	Registration, Transfer and Exchange of Bonds; Persons Treated as Owners.....	24
SECTION 3.07.	Destruction of Bonds.	24
SECTION 3.08.	Nonpresentment of Bonds.....	25
SECTION 3.09.	Other Obligations Payable from Revenues.....	25
SECTION 3.10.	Temporary Bonds.....	25
SECTION 3.11.	Limitations on Obligations of Bank.....	26
SECTION 3.12.	Immunity of Officers and Directors.....	26
ARTICLE IV.	REDEMPTION.....	27
SECTION 4.01.	Privilege of Redemption and Redemption Prices and Terms for the Bonds.....	27
SECTION 4.02.	Method of Bank's Election or Direction to Redeem Bonds.....	27
SECTION 4.03.	Selection of Bonds to be Redeemed	27
SECTION 4.04.	Redemption Payments.	28

SECTION 4.05.	Notice of Redemption	28
SECTION 4.06.	Cancellation	28
ARTICLE V.	GENERAL COVENANTS.....	28
SECTION 5.01.	Payment of Debt Service.	28
SECTION 5.02.	Performance of Covenants; Bank.	28
SECTION 5.03.	Instruments of Further Assurance.	29
SECTION 5.04.	Covenants Concerning Program	29
SECTION 5.05.	Possession and Inspection of Qualified Obligation.	29
SECTION 5.06.	Accounts and Reports.	30
SECTION 5.07.	Bank Covenants with Respect to Qualified Obligation	30
SECTION 5.08.	Monitoring Investments.	30
SECTION 5.09.	Covenants Concerning Preservation of Tax Exemption.	30
SECTION 5.10.	Agreement Withholding Municipality Monies to Satisfy Delinquent Payments.	31
ARTICLE VI.	REVENUES AND FUNDS.....	32
SECTION 6.01.	Source of Payment of Bonds.....	32
SECTION 6.02.	Creation of Funds.....	32
SECTION 6.03.	Deposit of Net Proceeds of Bonds.	32
SECTION 6.04.	Deposit of Revenues and Other Receipts.....	32
SECTION 6.05.	Operation of General Account.	32
SECTION 6.06.	Operation of the Redemption Account.	33
SECTION 6.07.	Operation of the Purchase Account.	33
SECTION 6.08.	Operation of Bond Issuance Expense Account.....	33
SECTION 6.09.	Operation of the Rebate Fund	34
SECTION 6.10.	Moneys to be Held in Trust.	34
SECTION 6.11.	Amounts Remaining in Funds or Accounts.	35
SECTION 6.12.	Certain Verifications.	35
ARTICLE VII.	PURCHASE OF QUALIFIED OBLIGATION.....	35
SECTION 7.01.	Terms and Conditions of Purchase.	35
SECTION 7.02.	Purchases.....	35
SECTION 7.03.	Retention and Inspection of Documents.	36
SECTION 7.04.	Report.....	36
ARTICLE VIII.	INVESTMENT OF MONEYS	37

SECTION 8.01.	General Provisions	37
SECTION 8.02.	Arbitrage Restrictions; Bonds to Remain Tax Exempt.....	38
ARTICLE IX.	DISCHARGE OF INDENTURE.....	38
SECTION 9.01.	Discharge of Indenture.....	38
ARTICLE X.	DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS	40
SECTION 10.01.	Defaults; Events of Default.....	40
SECTION 10.02.	Remedies; Rights of Bondholders.	41
SECTION 10.03.	Rights of Bondholders to Direct Proceedings.....	42
SECTION 10.04.	Appointment of Receivers.	42
SECTION 10.05.	Application of Moneys.	42
SECTION 10.06.	Remedies Vested in the Trustee.....	44
SECTION 10.07.	Rights and Remedies of Bondholders.....	44
SECTION 10.08.	Termination of Proceedings.....	44
SECTION 10.09.	Waivers of Events of Default.....	45
SECTION 10.10.	Notice of Defaults under Section 10.01(d) or (e); Opportunity of the Bank to Cure Such Defaults.....	45
ARTICLE XI.	TRUSTEE	46
SECTION 11.01.	Acceptance of the Trusts.....	46
SECTION 11.02.	Fees, Charges and Expenses of the Trustee.	48
SECTION 11.03.	Intervention by the Trustee.	48
SECTION 11.04.	Successor Trustee.....	48
SECTION 11.05.	Resignation by the Trustee.....	48
SECTION 11.06.	Removal of the Trustee.	49
SECTION 11.07.	Appointment of Successor Trustee by the Bondholders; Temporary Trustee.....	49
SECTION 11.08.	Concerning Any Successor Trustee.	49
SECTION 11.09.	Indemnification.	50
SECTION 11.10.	Successor Trustee as Trustee of Funds, Paying Agent and Registrar.....	51
ARTICLE XII.	SUPPLEMENTAL INDENTURES	51
SECTION 12.01.	Supplemental Indentures not Requiring Consent of Bondholders.	51

SECTION 12.02.	Supplemental Indentures Requiring Consent of Bondholders.	51
ARTICLE XIII.	MISCELLANEOUS	52
SECTION 13.01.	Consents, etc., of Bondholders.	52
SECTION 13.02.	Limitation of Rights.....	53
SECTION 13.03.	Severability.	53
SECTION 13.04.	Notices.	53
SECTION 13.05.	Trustee as Paying Agent and Registrar.	53
SECTION 13.06.	Payments Due on Saturdays, Sundays and Holidays.....	53
SECTION 13.07.	Counterparts.	54
SECTION 13.08.	Receipt of Money or Revenues by Trustee.	54
SECTION 13.09.	Applicable Provisions of Law.....	54

}

INDENTURE OF TRUST

This **INDENTURE OF TRUST** (this "Indenture") is dated as of _____, 20____, by and between the **MISSISSIPPI DEVELOPMENT BANK**, a public body corporate and politic (the "Bank"), of the State of Mississippi (the "State"), organized under the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "Bank Act"), and **WHITNEY BANK D/B/A HANCOCK BANK**, a national banking association duly organized, existing, and authorized under the laws of the United States of America to accept and execute trusts of the character herein with a corporate trust office in Jackson, Mississippi, as Trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Bank exercises essential public functions and is authorized and empowered by the provisions of the Act (as defined herein) to issue Bonds (as defined herein) for the purpose of buying securities of "local governmental units" (as defined herein); and

WHEREAS, the execution and delivery of this Indenture has been in all respects duly and validly authorized by a resolution duly passed and approved by the Board of Directors of the Bank.

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

GRANTING CLAUSES

The Bank, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the purchase and acceptance of the Bonds by the owners thereof, and for other good and valuable consideration, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and interest on the Bonds according to their tenor and effect and to secure the performance and observance by the Bank of all covenants expressed or implied herein and in the Bonds, does hereby grant, transfer, bargain, sell, convey, mortgage, assign, and pledge, and grant a security interest in the rights, interests, properties, moneys, and other assets described in the following Granting Clauses to the Trustee and its successors in trust and assigns forever, for the purpose of securing the performance of the obligations of the Bank hereinafter set forth, such grant, transfer, bargaining, sale, conveyance, mortgage, assignment, pledge, and security interest, as described in the following Granting Clauses.

GRANTING CLAUSE FIRST

All cash and securities now or hereafter held in the Funds and Accounts created or established under this Indenture (other than the Rebate Fund) and the investment earnings thereon (other than the Rebate Fund) and all proceeds thereof (except to the extent in the Rebate Fund or any amounts which are transferred from such Funds and Accounts from time to time in accordance with this Indenture).

GRANTING CLAUSE SECOND

The Qualified Obligation (as defined herein) acquired and held by the Trustee pursuant to this Indenture, all the payments thereunder, all the earnings thereon and all proceeds thereof.

GRANTING CLAUSE THIRD

All funds, accounts, and monies hereinafter pledged to the Trustee as security by the Bank to the extent of that pledge.

TO HAVE AND TO HOLD all and singular the hereinafter defined Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security, and protection of all present and future owners of the Bonds issued under and secured by this Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds except as otherwise expressly provided herein;

PROVIDED HOWEVER, that if the Bank shall pay or cause to be paid, or there shall otherwise be paid or made provision for payment of, the principal of, premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner prescribed in the Bonds, or there shall otherwise be paid or made provision for payment to the Trustee of all sums of money due or to become due according to the provisions hereof which payments shall otherwise comply with Article IX hereof, then this Indenture and the rights hereby granted shall cease, determine, and be void; otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated, and delivered, and all said property, rights, and interests, including, without limitation, the amounts hereby assigned and pledged, are to be dealt with and disposed of, under, upon, and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses, and purposes hereinafter expressed, and the Bank has agreed and covenanted, and does hereby agree and covenant, with the Trustee and with the respective owners, from time to time, of the Bonds, or any part thereof, as follows (subject, however, to the provisions of Sections 3.11 and 3.12 hereof):

ARTICLE I. DEFINITIONS AND RULES OF INTERPRETATION

SECTION 1.01. Definitions.

The following words and phrases shall have the following meanings unless the context otherwise requires:

Accounts

"Accounts" means the accounts created pursuant to Article VI hereof.

Act

"Act" means together the Bank Act and the Municipality Act.

Authorized Officer

"Authorized Officer" means the President, Vice President, Executive Director, Secretary, or Assistant Secretary of the Bank or such other person or persons who are duly authorized to act on behalf of the Bank.

Authorized Purposes

"Authorized Purpose" shall mean establishing sanitary, storm, drainage or sewerage systems, and repairing, improving and extending the same; protecting the municipality, its streets and sidewalks from overflow, caving banks and other like dangers; planning, constructing, improving or paving streets, sidewalks, driveways, parkways, walkways or public parking facilities, and purchasing land therefor, and/or purchasing street traffic control devices and signalization; constructing bridges and culverts; altering or changing the channels of streams and water courses to control, deflect or guide the current thereof.

Bank

"Bank" means the Mississippi Development Bank, a body corporate and politic exercising essential public functions, or any successor to its functions.

Bank Act

"Bank Act" means the provisions of Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended.

Bankruptcy Code

"Bankruptcy Code" means 11 U.S.C. Section 100 *et seq.*, as amended or supplemented from time to time.

Beneficial Owner

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

Board

"Board" means the Board of Directors of the Bank.

Bond Counsel

"Bond Counsel" means Jones Walker LLP, Jackson, Mississippi, or another attorney or firm of attorneys approved by the Municipality and the Bank nationally recognized in the area of municipal law and matters relating to the exclusion of interest on state and local government bonds from gross income under federal tax law, including particularly compliance with Section 148(f) of the Code, in connection with the sale and issuance of the Bonds.

Bond Issuance Expense Account

"Bond Issuance Expense Account" means the account by that name created by Section 6.02 hereof.

Bond Register

"Bond Register" means the registration records of the Bank kept by the Trustee to evidence the registration and transfer of the Bonds.

Bondholder

"Bondholder" or "holder of Bonds" or "owner of Bonds" or any similar term means the Registered Owner of any Bond.

Bonds

"Bonds" means the \$_____ Mississippi Development Bank Special Obligation Bonds, Series 2018 (City of Starkville, Mississippi, General Obligation Public Improvement Project), issued pursuant to Section 2.01 of this Indenture.

Business Day

"Business Day" means any day other than (a) a Saturday, (b) a Sunday, (c) any other day on which banking institutions in New York, New York or Jackson, Mississippi, are authorized or required not to be open for the transaction of regular banking business, (d) any day the City Hall of the Municipality is closed, or (e) a day on which the New York Stock Exchange is closed.

Clerk

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

Code

"Code" or "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and all applicable "Treasury Regulations" promulgated thereunder.

Costs of Issuance

"Costs of Issuance" means items of expense payable or reimbursable, directly or indirectly, by the Bank and related to the authorization, issuance, sale, validation, and/or delivery of the Bonds and the Qualified Obligation, which items of expense shall include, but not be limited to, printing costs, costs of reproducing documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and charges, professional consultants fees, costs of credit rating (if any), fees and charges for execution, transportation, and safekeeping of Bonds, credit enhancements or liquidity facility fees, and other costs, charges, and fees in connection with the foregoing.

Counsel

"Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and approved by the Bank and the Trustee.

Default

"Default" means an event or condition the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default hereunder.

DTC

"DTC" means The Depository Trust Company, New York, New York.

DTC Participants

"DTC Participants" shall have the meaning ascribed thereto in Section 2.06 herein.

Event of Default

"Event of Default" means any occurrence or event specified in Section 10.01 hereof.

Fiscal Year

"Fiscal Year" means, when used with respect to the Bank, the Bank's fiscal year being the twelve (12) month period from July 1 through the following June 30 or such other fiscal year as may be established by the Bank.

Funds

"Funds" means the funds created pursuant to Article VI hereof (other than the Rebate Fund).

General Account

"General Account" means the account by that name created by Section 6.02 hereof.

General Fund

"General Fund" means the fund by that name created by Section 6.02 hereof.

Governing Body

"Governing Body" means the Mayor and Board of Aldermen of the Municipality.

Governmental Obligations

"Governmental Obligations" means to the extent permitted by State law: (a) direct obligations of the United States of America; (b) obligations guaranteed as to principal and interest by the United States of America or any federal agency whose obligations are backed by the full faith and credit of the United States of America, including but not limited to the: Department of Housing and Urban Development, Export-Import Bank, Farmers Home Administration (or successor thereto), Federal Financing Bank, Federal Housing Administration, Maritime Administration, Small Business Administration, which obligations include but are not limited to certificates or receipts representing direct ownership of future interest or principal payments on obligations described in clause (a) or in this clause (b) and which are held by a custodian in safekeeping on behalf of the holders of such receipts; and (c) obligations of any state of the United States of America or any political subdivision thereof, the full payment of principal of, premium, if any, and interest on which (i) is fully and unconditionally guaranteed or insured by the United States of America, or (ii) is provided for by an irrevocable deposit of the securities described in clause (i) to the extent such investments are permitted by law.

Indenture

"Indenture" means this Indenture of Trust, and all supplements and amendments to the Indenture entered into pursuant to Article XII hereof.

Interest Payment Date

"Interest Payment Date" means each _____ 1 and _____ 1, commencing _____ 1, 20____.

Investment Securities

"Investment Securities" means any of the following to the extent such investments are permitted by State law: (a) obligations of the State, any municipality of the State or the United States of America rated at least "A" by S&P or Moody's; (b) obligations the principal and interest of which are fully guaranteed by the State or the United States of America; (c) obligations of any corporation wholly owned by the United States of America; (d) obligations of any corporation sponsored by the United States of America which are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System; (e) obligations of insurance firms or other corporations whose investments are rated "AA" or better by recognized rating companies; (f) certificates of deposit or time deposits of qualified depositories of the State as approved by the State Depository Commission, secured in such manner, if any, as the Bank shall determine; (g) contracts for the purchase and sale of obligations of the type specified in items (a) through (e) above; (h) repurchase agreements secured by obligations specified in items (a) through (e) above; or (i) money market funds, rated "AAm" or "AAm-G" or better by S&P, the assets of which are required to be invested in obligations specified in items (a) through (f) above.

Mayor

“Mayor” means the Mayor of the Municipality.

Moody's

"Moody's" means Moody's Investors Service, Inc., a Delaware corporation, its successors and assigns, and, if such corporation shall for any reason no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Municipality (with the approval of the Bank), with written notice to the Trustee.

Municipality

"Municipality" means the City of Starkville, Mississippi, a "local governmental unit" under the Bank Act.

Municipality Act

“Municipality Act” means the provisions of Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended.

Municipality Resolution

"Municipality Resolution" means that certain Municipality Resolution adopted by the Governing Body of the Municipality on _____, 20____, in connection with the issuance of the Qualified Obligation.

Notice Address

"Notice Address" means, with respect to the Municipality, the Municipality's address given in connection with the sale of its Qualified Obligation to the Bank, and, with respect to the Bank, the Trustee and the Underwriter:

Bank:	Mississippi Development Bank 735 Riverside Drive, Suite 300 Jackson, Mississippi 39202 Attention: Executive Director
Trustee:	Whitney Bank d/b/a Hancock Bank Suite Q 230 The Quarter Specialty Center 1855 Lakeland Drive Jackson, Mississippi 39216 Attention: Susan R. Tsimortos
Underwriter:	Raymond James & Associates, Inc. 50 North Front Street, 16th floor

Memphis, Tennessee 38103
Attention: Lindsey Rea

Opinion of Bond Counsel

"Opinion of Bond Counsel" means an opinion by a nationally recognized firm experienced in matters relating to the tax exemption for interest payable on obligations of states and their instrumentalities and political subdivisions under federal law, and which is acceptable to the Bank and the Trustee.

Opinion of Counsel

"Opinion of Counsel" means a written opinion of Counsel addressed to the Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in this Indenture) be Counsel to the Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

Outstanding

"Outstanding" or "Bonds Outstanding" means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, including Bonds held by the Bank, except:

- (a) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (b) Bonds deemed paid under Article IX hereof; and
- (c) Bonds in lieu of which other Bonds have been authenticated under Section 3.05, 3.06 or 3.10 hereof.

Paying Agent

"Paying Agent" means Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi, a national banking association organized and existing under the laws of the United States of America, or any successor thereto, acting as the Paying Agent pursuant to the Municipality Resolution.

Principal Office

"Principal Office" means, as it relates to the Trustee, the address for the Trustee set forth under the definition of Notice Address above.

Principal Payment Date

"Principal Payment Date" means the maturity date or the mandatory sinking fund Redemption Date of any Bond.

Program

"Program" means the Bank's program for purchasing securities of or making loans to "local governmental units" pursuant to the Act, including the Bank's purchase of the Qualified Obligation.

Program Expenses

"Program Expenses" means all of the fees and expenses of the Trustee relating to the Bonds or Qualified Obligation and costs of determining the amount rebatable, if any, to the United States of America under Section 6.09 hereof, all to the extent properly allocable to the Program and approved in writing by the Bank.

Project

"Project" means providing funds (a) to finance the costs of the Authorized Purpose and (b) for related purposes, including, without limitation, paying the costs of issuance for the Qualified Obligation and the Bonds.

Purchase Account

"Purchase Account" means the account by that name created by Section 6.02 hereof.

Qualified Obligation

"Qualified Obligation" means the \$_____ General Obligation Public Improvement Bond, Series 2018, issued by the Municipality pursuant to the Municipality Resolution and registered to the Trustee as assignee of the Bank pursuant to this Indenture.

Qualified Obligation Payment

"Qualified Obligation Payment" means the amounts paid or required to be paid, from time to time, for principal, premium, if any, and interest on the Qualified Obligation.

Qualified Obligation Purchase Agreement

"Qualified Obligation Purchase Agreement" means that certain Qualified Obligation Purchase Agreement, dated _____, 20____, by and between the Municipality and the Bank in connection with the sale and issuance of the Qualified Obligation.

Rebate Fund

"Rebate Fund" means the fund by that name created by Section 6.02 hereof.

Record Date

"Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the calendar month next preceding such Interest Payment Date.

Redemption Account

"Redemption Account" means the account by that name created by Section 6.02 hereof.

Redemption Date

"Redemption Date" means, with respect to any Bond to be redeemed, the date on which it is to be redeemed pursuant to this Indenture.

Redemption Price

"Redemption Price" means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, and accrued but unpaid interest payable upon redemption of such Bond prior to maturity.

Registered Owner

"Registered Owner" means the person or persons in whose name any Bond shall be registered on the Bond Register.

Revenues

"Revenues" means the Funds and Accounts (except for the Rebate Fund) and all income, revenues, and profits of the Funds and Accounts (except for the Rebate Fund) referred to in the granting clauses hereof including, without limitation, all Qualified Obligation Payments, and any additional amounts paid to the Trustee under the Municipality Resolution or from any other source whatsoever.

S&P

"S&P" means Standard & Poor's Credit Market Services, a division of The McGraw Hill Companies, Inc., a New York corporation, its successors and assigns, and, if dissolved or liquidated or if it no longer performs the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Municipality (with the approval of the Bank), with written notice to the Trustee.

State

"State" means the State of Mississippi.

Supplemental Indenture

"Supplemental Indenture" means an indenture supplemental to or amendatory of this Indenture, executed by the Bank and the Trustee in accordance with Article XII hereof.

Trust Estate

"Trust Estate" means the property, rights, and amounts pledged and assigned to the Trustee as security for the Bonds, pursuant to the granting clauses hereof.

Trustee

"Trustee" means the state banking corporation or national banking association with corporate trust powers qualified to act as Trustee under this Indenture which may be designated (originally or as a successor) as Trustee for the owners of the Bonds issued and secured under the terms of this Indenture, and which shall initially be Whitney Bank d/b/a Hancock Bank, Jackson, Mississippi.

Underwriter

"Underwriter" means Raymond James & Associates, Inc., Memphis, Tennessee.

SECTION 1.02. Rules of Interpretation.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) The words "herein" and "hereof" and "hereunder" and words of similar import, without reference to any particular section or subdivision, refer to this Indenture as a whole rather than to any particular section or subdivision of this Indenture.

(b) References in this Indenture to any particular article, section, or subdivision hereof are to the designated article, section, or subdivision of this Indenture as originally executed.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and all computations provided for herein shall be made in accordance with generally accepted accounting principles consistently applied and applied on the same basis as in prior years.

(d) The Table of Contents and titles of articles and sections herein are for convenience only and are not a part of this Indenture.

(e) Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa and the masculine shall include the feminine and vice versa.

(f) Articles, sections, subsections, and clauses mentioned by number only are those so numbered which are contained in this Indenture.

(g) For purposes of this Indenture and the Indenture, a petition in bankruptcy shall be deemed dismissed only if either (a) the petition is dismissed by order of a court of competent jurisdiction and no further appeal rights exist from such order or (b) the Municipality notifies the Trustee that such a dismissal has occurred.

(h) Any Opinion of Counsel required hereunder shall be a written opinion of such counsel.

ARTICLE II.
AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 2.01. Authorization and Issuance of Bonds.

(a) In accordance with the Act, the "Mississippi Development Bank Special Obligation Bonds, Series 2018 (City of Starkville, Mississippi, General Obligation Public Improvement Project)" are hereby authorized to be issued. The aggregate principal amount of Bonds that may be issued, authenticated, and Outstanding hereunder is _____ Dollars (\$_____).

(b) There is hereby created by this Indenture, in the manner and to the extent provided herein, a continuing pledge and lien to secure the full and final payment of the principal or Redemption Price of and interest on all of the Bonds issued pursuant to this Indenture. The Bonds shall be payable solely from the Revenues. The State shall not be liable on the Bonds and the Bonds shall not be a debt, liability, pledge of the faith, or loan of the credit, or moral obligation of the State. The Bonds shall contain on the face thereof a statement to the effect that the Bank is obligated to pay the principal of the Bonds, the interest, and the redemption premium, if any, thereon only from the Revenues and that the State is not obligated to pay such principal, interest, or redemption premium, if any, and that neither the faith and credit nor the taxing power of the State is pledged to the payment of the Bonds. In the Bank Act, the State has pledged to and agreed with the holders of any Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Bonds, are fully met and discharged. All Bonds shall mature on or before _____ 1, 20____.

SECTION 2.02. Purpose and Disposition of Bonds.

The purpose for issuing the Bonds is (a) to fund the Purchase Account, in order to provide funds for the purchase of the Qualified Obligation (which amounts are to provide financing for the Authorized Purpose of the Municipality, pursuant to the Act), and (b) to fund the Bond Issuance Expense Account of the General Fund to pay Costs of Issuance. Upon the delivery of the Bonds and receipt of the net proceeds therefor, the Bank shall deliver to the Trustee proceeds of the Bonds in the amount of \$_____ (\$_____ par amount of the Bonds, plus a net original issue premium of \$_____, less the Underwriter's discount of \$_____). The proceeds of the Bonds shall be deposited as follows: (1) into the Bond Issuance Expense Account of the General Fund, the sum of \$_____ to pay Costs of Issuance and (b) into the Purchase Account of the General Fund, the sum of \$_____ of the net proceeds to be immediately distributed to the Municipality as provided in the Qualified Obligation Purchase Agreement.

SECTION 2.03. General Description of the Bonds.

The Bonds shall be issuable as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The Bonds shall be numbered from R-1 upward, as applicable.

Each Bond shall carry an original date of _____, 20____, and shall carry the date on which it is authenticated. If a Bond is authenticated on or prior to _____, 20____, it shall bear interest from _____, 20____. Each Bond authenticated after _____, 20____, shall bear interest from the most recent Interest Payment Date to which interest has been paid as of the date of authentication of such Bond unless such Bond is authenticated after a Record Date and on or before the next succeeding Interest Payment Date, in which event the Bond will bear interest from such next succeeding Interest Payment Date.

Interest on the Bonds shall be payable on _____ 1 and _____ 1 of each year, commencing _____ 1, 20____, until the Bonds are paid. Interest will be calculated using a three hundred sixty (360) day year based on twelve (12) thirty (30) day months.

The Bonds shall mature on _____ 1 in the years and in the principal amounts, and shall bear interest at the rates per annum, all as set forth below:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%
20__	\$	%

SECTION 2.04. Provisions for Issuance of Bonds.

The Bonds shall be executed by Authorized Officers of the Bank for issuance under this Indenture, shall be delivered to the Trustee, and thereupon shall be authenticated by the Trustee and by it delivered to the Bank or to the Underwriter, as specified in a written order of the Bank, but only upon the receipt by the Trustee of:

(a) A copy, duly certified by an Authorized Officer, of the resolution or resolutions adopted by the Board of the Bank authorizing the execution and delivery of this Indenture and all

other instruments contemplated thereby and the authorization, issuance, sale, and delivery of the Bonds;

(b) A copy, duly certified by the Clerk of the Municipality, of the Municipality Resolution and any other resolution(s) of the Municipality authorizing the execution and delivery of all instruments contemplated thereby and approving this Indenture and the authorization, issuance, sale, and delivery of the Qualified Obligation;

(c) Original executed counterparts of this Indenture;

(d) Signed copies of all Opinions of Counsel required by the Underwriter;

(e) A request and authorization to the Trustee by or on behalf of the Bank and signed by an Authorized Officer to authenticate and deliver the Bonds to the purchasers thereof and specifying the amounts to be deposited in the General Fund pursuant to Section 2.02 hereof;

(f) Signed copies of the legal opinions of Bond Counsel; and

(g) Such further documents, moneys, and securities as are required by the provisions of this Section 2.04 or Article VII.

SECTION 2.05. Form of Bonds.

The Bonds and the Trustee's "Certificate of Authentication" to be endorsed on the Bonds are all to be in substantially the following form, with necessary and appropriate variations, omissions, and insertions as are permitted or required by this Indenture or any Supplemental Indenture, as applicable:

[FORM OF BOND]

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE TRUSTEE (AS DEFINED BELOW) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL IN AS MUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**UNITED STATES OF AMERICA
STATE OF MISSISSIPPI**

**MISSISSIPPI DEVELOPMENT BANK
SPECIAL OBLIGATION BOND, SERIES 2018
(CITY OF STARKVILLE, MISSISSIPPI,
GENERAL OBLIGATION PUBLIC IMPROVEMENT PROJECT)**

No. R-__ \$_____

Interest Rate	Maturity Date	Original Date	CUSIP
___%	_____ 1, 20__	_____ 1, 20__	_____

Registered Owner: CEDE & CO.

Principal Amount:

Mississippi Development Bank, a body corporate and politic, exercising essential public functions (the "Bank"), and organized under the laws of the State of Mississippi (the "State"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, the principal amount stated above in lawful money of the United States of America but solely from the sources referred to herein and not otherwise, on the Maturity Date specified above, unless this Bond, as hereinafter defined, shall be redeemable and shall previously have been called for redemption and payment of the redemption price made or provided for, and to pay interest on such principal amount in like money, but solely from said sources, from the interest payment date to which interest has been paid as of the date of authentication of this Bond (unless this Bond is authenticated on or before _____, 20__, then from _____, 20__, or unless this Bond is authenticated after _____, 20__, and on or before the next succeeding interest payment date, then from such interest payment date or unless payment of the interest on this Bond is in default, then from such date when interest has been paid in full) at the Interest Rate per annum stated above, payable on each _____ 1 and _____ 1, commencing _____ 1, 20__, until payment of such principal amount shall have been made upon redemption or at maturity. The principal of this Bond is payable at the corporate trust office of _____ in _____, Mississippi (the "Principal Office"), or at a corporate trust office of any successor trustee appointed under the Indenture hereinafter mentioned; and payments of interest hereon will be made to the Registered Owner hereof (whose name appears on the registration records kept by the Trustee at the close of business on the fifteenth (15th) day of the month prior to such Interest Payment Date) by check mailed on the Interest Payment Date by the Trustee to such Registered Owner at its address as it appears on the registration records of the Bank kept by the Trustee or at such other address as is furnished to the Trustee in writing by such Registered Owner or at the written election of the Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds delivered to the Trustee at least one Business Day prior to the Record Date (as defined in the within defined Indenture) for which such election will be effective by wire transfer to the Registered Owner or by deposit into the account of the Registered Owner if such account is maintained by the Trustee.

This Bond and the other Bonds, and the interest payable hereon and thereon, are payable by the Bank solely from the Revenues (as defined herein) and other funds of the Bank pledged therefor under the Indenture, which Revenues and funds include the payments on the Qualified Obligation (as defined herein) purchased by the Bank. The Bank has no taxing power. This Bond and the other Bonds, as to principal, premium, if any, and interest, constitutes neither a debt, liability, or loan of the credit of the State or any political subdivision thereof under the constitution or statutes of the State nor a pledge of the faith and credit, the taxing power, or moral obligation of the State or any political subdivision thereof; provided, however, that the Qualified Obligation is a general obligation of the Municipality. The issuance of the Bonds under the provisions of the Act (as defined herein) does not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution or the statutes of the State and do not now and shall never constitute a charge against the credit of the State or any political subdivision thereof or a charge against the taxing power of the State or any political subdivision thereof. Neither the State nor any agent, attorney, member, or employee of the State or of the Bank shall in any event be liable for the payment of the principal of, premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation, or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation, or agreement may impose any liability, pecuniary or otherwise, upon the State or any agent, employee, attorney, or member of the State or of the Bank, or any charge upon their general credit or upon the taxing power of the State. In the Act (as defined herein), the State has pledged and agreed with the holders of the Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Bonds, are fully met and discharged.

This Bond is one of an authorized issue of bonds of the Bank known as Mississippi Development Bank Special Obligation Bonds, Series 2018 (City of Starkville, Mississippi, General Obligation Public Improvement Project) (the "Bonds") issued under and secured by an Indenture of Trust, dated as of _____, 20__ ("Indenture"), duly executed and delivered by the Bank to _____, as Trustee ("Trustee"). The Bonds are limited in aggregate principal amount to _____ Dollars (\$_____). The Bonds are issued pursuant to Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended, and Sections 21-33-301 *et seq.*, Mississippi Code of 1972, as amended ("together, the Act"), to provide funds to purchase the Qualified Obligation and to pay the costs of issuing the Bonds and the Qualified Obligation. The Municipality is the City of Starkville, Mississippi (the "City"), and the Qualified Obligation is the City's General Obligation Public Improvement Bond, Series 2018, issued in the aggregate principal amount of \$_____ (the "Qualified Obligation"). The Qualified Obligation is a general obligation of the Municipality secured and described in that certain resolution, adopted by the Governing Body of the Municipality on _____, 20__ (the "Municipality Resolution"). The proceeds received by the Municipality from the sale of the Qualified Obligation to the Bank will be used by the Municipality for the purpose of financing the (a) Authorized Purpose, and (b) paying the costs of issuance for the Bonds and the Qualified Obligation (the "Project").

The Municipality Resolution, a certified copy of which is on file in the Principal Office of the Trustee, provides that the Municipality is unconditionally obligated to make payments secured by the full faith, credit, and taxing power of the Municipality in an aggregate amount sufficient, with any other funds available therefor, for the payment in full of the principal of, premium, if any, and interest on all Bonds issued and outstanding under the Indenture, to the date of payment thereof, and certain costs, expenses, and charges of the Bank and the Trustee.

In the Municipality Resolution, the Municipality covenants to levy a special tax annually, without limitation as to time, rate or amount, upon all of the taxable property within the geographical boundaries of the Municipality adequate and sufficient to provide for the payment of the principal of, premium, if any, and interest on the Qualified Obligation as the same becomes due. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the Municipality are collected, and the rate of the tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate, or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of, premium, if any, and interest on the Qualified Obligation as the same shall mature and accrue. Should there be a failure in any year to comply with the requirements, such failure shall not impair the right of the holder of the Qualified Obligation in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Qualified Obligation, as to principal of, premium, if any, and interest.

The Bonds are all equally and ratably secured by and entitled to the protection of the Indenture on a parity one with another. To secure payment of the principal of and interest on all Bonds and performance of all other covenants of the Bank under the Indenture, the Bank, pursuant to the Indenture, has assigned and pledged to the Trustee, and has granted to the Trustee a security interest in, the Trust Estate (as defined in the Indenture), including all right, title, and interest of the Bank in and to all moneys and securities from time to time received and held by the Trustee under the Indenture and all income from the deposit, investment, and reinvestment thereof except any moneys and securities held in the Rebate Fund established under the Indenture (all such money and funds and accounts referred to in the granting clauses of the Indenture are defined in the Indenture and are herein referred to as the "Revenues"). Reference is hereby made to the Indenture for a description of the rights, duties, and obligations of the Bank, the Trustee and the owners of the Bonds, the terms and conditions upon which the Bonds are issued and the terms and conditions upon which the Bonds will be paid at or prior to maturity, or will be deemed to be paid upon the making of provision for payment therefor. A copy of the Indenture is on file in the Principal Office of the Trustee.

THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BANK AND DO NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY, OR MORAL OBLIGATION OF THE STATE OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER AND NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE STATE, THE BANK OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR THE INTEREST ON THE BONDS; PROVIDED, HOWEVER, THAT THE QUALIFIED OBLIGATION CONSTITUTES A PLEDGE OF THE FULL FAITH, CREDIT, AND TAXING POWER

OF THE MUNICIPALITY. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE BANK BUT ARE A LIMITED AND SPECIAL REVENUE OBLIGATION OF THE BANK PAYABLE SOLELY FROM THE TRUST ESTATE, INCLUDING, WITHOUT LIMITATION, THE AVAILS OF THE FULL FAITH, CREDIT, AND TAXING POWER OF THE MUNICIPALITY DERIVED OR TO BE DERIVED FROM PAYMENTS MADE BY THE MUNICIPALITY IN RESPECT OF THE QUALIFIED OBLIGATION PURSUANT TO THE MUNICIPALITY RESOLUTION AND FROM ANY MONEYS RECEIVED BY THE TRUSTEE UNDER THE INDENTURE. THE BANK HAS NO TAXING POWER.

This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the Principal Office of the Trustee, but only in the manner and subject to the limitations prescribed in the Indenture and upon surrender and cancellation of this Bond. This Bond may be transferred without cost to the Registered Owner except for any tax or governmental charge required to be paid with respect to the transfer. Upon such transfer, a new Bond or Bonds of the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Bank and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and the interest due hereon and for all other purposes and neither the Bank nor the Trustee shall be affected by any notice to the contrary.

The Bonds are issuable as fully registered bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and upon payment of any taxes or governmental charges, Bonds may be exchanged for a like aggregate principal amount of Bonds of the same maturity of authorized denominations.

If the City directs the Bank to redeem Bonds pursuant to the Municipality Resolution, the Bank has agreed under the Indenture to accept redemption and redeem Bonds in accordance with the Indenture.

The Bonds which mature after _____ 1, 20__ are subject to optional redemption on any date on or after _____ 1, 20__, in whole or in part upon payment of the redemption price equal to one hundred percent (100%) of the principal amount of Bonds to be redeemed, plus accrued interest to the Redemption Date.

In the event any of the Bonds are called for redemption as aforesaid, notice thereof identifying the Bonds to be redeemed will be given by mailing a copy of the redemption notice by registered or certified mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of the Bonds to be redeemed at the address shown on the registration records kept by the Trustee. Failure to give such notice by mailing, or any defect therein with respect to any Bond, shall not affect the validity of any proceedings for the redemption of other Bonds. All Bonds so called for redemption will cease to bear interest on the specified Redemption Date, shall no longer be protected by the Indenture, and shall not be deemed to be Outstanding under the provisions of the Indenture, provided funds for their redemption are on deposit at the place of payment prior to the Redemption Date. All of

the funds necessary to redeem the Bonds so called for redemption must be on deposit in the Redemption Account prior to the Trustee giving notice of said redemption under the Indenture.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute an action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner, and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Indenture or of any supplements thereto, may be made to the extent permitted by, and in accordance with, the Indenture.

The Bank hereby certifies, recites, and declares that all acts, conditions, and things required by the constitution and statutes of the State, the Indenture, and resolutions of the Bank to exist, to have happened, and to be performed prior to the issuance of this Bond do exist, have happened, and have been performed in due time, form, and manner as required by the Act; that the issuance of the Bonds, together with all other obligations of the Bank, does not exceed or violate any constitutional or statutory limitation applicable to the Bank; and that the revenues pledged to the payment of the principal of and interest on the Bonds, as the same become due, are designed to be sufficient in amount for that purpose.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Mississippi Development Bank has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of its Executive Director and a manual or facsimile seal of its official seal to be hereunto impressed or imprinted hereon by any means and attested by the manual signature of its Secretary or Assistant Secretary.

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

ATTEST:

By: _____
Secretary

(seal)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds issued and delivered pursuant to the provisions of the within-mentioned Indenture.

_____, as Trustee

By _____
Authorized Signatory

Date of Authentication: _____, 20__

VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

COUNTY OF HINDS

The undersigned Secretary of the Mississippi Development Bank does hereby certify that the within Bond has been validated and confirmed by Decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, rendered on the ____ day of ____, 20__.

(seal)

Secretary

(FORM OF ASSIGNMENT)

ASSIGNMENT

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

(please insert social security or other identifying number of assignee)

(please print or typewrite name and address of assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, Attorney, to transfer the within Bond on the records kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatsoever.

NOTE: Signature(s) must be guaranteed by a member of a nationally recognized Medallion Signature Guaranty Program acceptable to the Trustee.

By _____
Authorized Officer

[END OF BOND FORM]

SECTION 2.06. Book-Entry Only System.

The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.07 hereof, all of the outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Bank and the Trustee shall have no responsibility or obligation to any participant for whom DTC is a security depository nominee ("DTC Participants") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Bank and the Trustee shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. Notwithstanding any other provision of this Indenture to the contrary, the Bank, the Trustee and each paying agent, if any, shall be entitled to treat and consider the person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee and each paying agent, if any, shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register as provided in this Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Bank's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bondholder, as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the Bank to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new

nominee in place of Cede & Co., and subject to the provisions in this Indenture with respect to interest checks or drafts being mailed to the Registered Owner at the close of business on the Record Date, the words "Cede & Co." in this Indenture shall refer to such new nominees of DTC; and upon receipt of such a notice the Trustee shall promptly deliver a copy of the same to each paying agent, if any.

SECTION 2.07. Successor Securities Depository; Transfers Outside Book-Entry Only System.

In the event that the Bank determines that DTC is incapable of discharging its responsibilities described herein and DTC's "Blanket Letter of Representations" or that it is in the best interest of the Beneficial Owners of the Bonds that they be able to obtain certificated Bonds, the Bank shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (b) notify DTC and DTC Participants of the availability through DTC of Bond certificates and transfer one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

SECTION 2.08. Payments and Notices to Cede & Co.

Notwithstanding any other provision of this Indenture to the contrary, so long as any of the Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in DTC's "Blanket Letter of Representations." The Trustee shall request in each notice sent to Cede & Co. pursuant to the terms of this Indenture that Cede & Co. forward or cause to be forwarded such notice to the DTC Participants.

**ARTICLE III.
GENERAL TERMS AND PROVISIONS OF BONDS**

SECTION 3.01. Medium, Form, and Place of Payment.

The Bonds shall be payable, with respect to interest, principal, and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be payable by check mailed on the Interest Payment Date to the Registered Owners as of the Record Date. The Bank may provide for the payment of interest on Bonds to holders of \$1,000,000 or more by wire transfer or by such other method as is acceptable to the Trustee and the Bondholder. Principal shall be payable at the Principal Office of the Trustee upon presentation of the Bonds to be paid.

SECTION 3.02. Legends.

The Bonds may contain or have endorsed thereon such provisions, specifications, and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, as determined by the Bank prior to the delivery thereof.

SECTION 3.03. Execution.

The Bonds shall be executed on behalf of the Bank with the manual or facsimile signature of its Executive Director, Secretary, President, or Vice President, and shall have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Bank, which seal shall be attested by the manual or facsimile signature of the Executive Director, Secretary, or Assistant Secretary of the Bank. In case any officer of the Bank whose signature or whose facsimile signature shall appear on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. Any Bond may be executed and attested on behalf of the Bank by such officer as at the time of the execution of such Bonds shall be duly authorized or hold the proper office of the Bank although at the date borne by the Bonds or at the date of delivery of the Bonds such officer may not have been so authorized or have held such office.

SECTION 3.04. Authentication.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a Certificate of Authentication on such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture.

The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized representative or signatory of the Trustee, but it shall not be necessary that the same representative or signatory sign the Certificate Of Authentication on all of the Bonds. The signature of the authorized representative or signatory of the Trustee shall be manual.

SECTION 3.05. Mutilated, Lost, Stolen, or Destroyed Bonds.

If any Bond is mutilated, lost, stolen, or destroyed, the Bank shall execute and the Trustee shall authenticate a new Bond or Bonds of the same maturity and denomination, as that mutilated, lost, stolen, or destroyed; provided that in the case of any mutilated Bond, it shall first be surrendered to the Trustee, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the Trustee, together with security and/or indemnity satisfactory to it. In the event any such Bond shall have matured, or been called for redemption, instead of issuing and authenticating a duplicate Bond, the Trustee may pay the same without surrender thereof, provided, however, that in the case of a lost, stolen, or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the Trustee together with security and/or indemnity satisfactory to it. The Trustee may charge the owner of such Bond its

reasonable fees and expenses in connection with replacing any Bonds mutilated, lost, stolen, or destroyed. Any Bond issued pursuant to this Section 3.05 shall be deemed part of the original series of the Bonds in respect of which it was issued and a contractual obligation of the Bank replacing the obligation evidenced by such mutilated, lost, stolen, or destroyed Bond.

SECTION 3.06. Registration, Transfer, and Exchange of Bonds; Persons Treated as Owners.

The Bank shall cause records for the registration and for the transfer of the Bonds to be kept by the Trustee at its Principal Office, and the Trustee is hereby constituted and appointed the bond registrar of the Bank. At reasonable times and under reasonable regulations established by the Trustee, said records may be inspected and prepared by the Bank or by Beneficial Owners (or a designated representative thereof) of five percent (5%) or more in aggregate principal amount of the Bonds then Outstanding.

Upon surrender for transfer of any Bond at the Principal Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Registered Owner or his attorney duly authorized in writing, the Bank shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds of the same maturity for a like aggregate principal amount. The Bonds may be transferred or exchanged without cost to the Bondholders except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The execution by the Bank of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required to (a) register, transfer, or exchange any Bond during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds, or (b) register, transfer, or exchange any Bonds selected, called or being called for redemption in whole or in part after mailing notice of such call has been made.

The person in whose name a registered Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of principal, premium, if any, and interest thereon, shall be made only to or upon the order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

All Bonds delivered upon any transfer or exchange shall be valid obligations of the Bank, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture, and shall be entitled to all of the security and benefits hereof to the same extent as the Bond surrendered.

SECTION 3.07. Destruction of Bonds.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture or upon payment of the principal, premium, if any, or interest represented thereby or for replacement pursuant to Section 3.05 hereof, such Bond shall be

canceled and destroyed by the Trustee and a counterpart of a certificate of destruction evidencing such destruction shall be furnished by the Trustee to the Bank.

SECTION 3.08. Nonpresentment of Bonds.

In the event any Bond shall not be presented for payment when the principal thereof comes due, either at maturity or at the date fixed for redemption thereof, or otherwise, if funds sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the owner thereof, all liability of the Bank to the owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds for the benefit of the owner of such Bond for the lawful period, without liability for interest thereon to such owner, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond.

Any money so deposited with and held by the Trustee not so applied to the payment of Bonds within the applicable statutory period after the date on which the same shall become due shall be repaid by the Trustee to the Bank and thereafter the Bondholders shall be entitled to look only to the Bank for payment, and then only to the extent of the amount so repaid, and the Bank shall not be liable for any interest thereon to the Bondholders and shall not be regarded as a trustee of such money.

SECTION 3.09. Other Obligations Payable from Revenues.

The Bank shall grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by this Indenture), and, except for the Bonds, shall issue no bonds or other evidences of indebtedness payable from the Trust Estate.

SECTION 3.10. Temporary Bonds.

Until the definitive Bonds are ready for delivery, the Bank may execute, in the same manner as is provided in Section 3.03, and, upon the request of the Bank, the Trustee shall authenticate and deliver, one or more temporary Bonds, which shall be fully registered. Such temporary Bonds shall be subject to the same provisions, limitations, and conditions as the definitive Bonds and shall be substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in the denomination of \$5,000 or any integral multiples thereof authorized by the Bank, and with such omissions, insertions, and variations as may be appropriate to temporary Bonds. The Bank at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds, shall deliver in exchange therefor definitive Bonds of the same aggregate principal amount and maturity as the temporary Bonds surrendered. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Indenture.

If the Bank shall authorize the issuance of temporary Bonds in more than one denomination, the owner of any temporary Bond or Bonds may, at his option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount and maturity of any other authorized denomination or denominations, and thereupon the Bank shall execute and the Trustee, in exchange for the temporary Bond or Bonds so surrendered

and upon payment of the taxes and charges provided for in Section 3.06, shall authenticate and deliver a temporary Bond or Bonds of like aggregate principal amount and maturity in such other authorized denomination or denominations as shall be requested by such owner. All temporary Bonds surrendered in exchange either for another temporary Bond or Bonds or for a definitive Bond or Bonds shall be forthwith canceled by the Trustee.

SECTION 3.11. Limitations on Obligations of Bank.

The Bonds, together with interest thereon, shall be limited obligations of the Bank but payable solely from Revenues and shall be a valid claim of the respective owners thereof only against the Funds and Accounts, other than the Rebate Fund and any Accounts created thereunder, established hereunder and the Qualified Obligation acquired by the Trustee, all of which are hereby assigned and pledged hereunder for the equal and ratable payment of the Bonds and shall be used for no other purpose than the payment of the Bonds, except as may be otherwise expressly authorized in this Indenture. The Bonds do not constitute a debt or liability or moral obligation of the State or of any political subdivision thereof under the constitution of the State or a pledge of the faith and credit or taxing power of the State or any political subdivision thereof, but shall be payable solely from the Revenues and Funds pledged therefor in accordance with this Indenture including, without limitation, the avails of the full faith, credit, and taxing power of the Municipality derived or to be derived from Qualified Obligation Payments made in respect of the Qualified Obligation pursuant to the Municipality Resolution. The issuance of the Bonds under the provisions of the Act does not directly, indirectly, or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest payable thereon do not now and shall never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and do not now and shall never constitute a charge against the credit or taxing power of the State or any political subdivision thereof; provided, however, that the Qualified Obligation is a general obligation of the Municipality. Neither the State nor any agent, attorney, member, or employee of the State or of the Bank, shall in any event be liable for the payment of the principal of, and premium, if any, or interest on the Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation, or agreement of any kind whatsoever which may be undertaken by the Bank. No breach by the Bank of any such pledge, mortgage, obligation, or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bank's agents, members, attorneys, and employees or any charge upon the general credit of the State or a charge against the taxing power of the State or any political subdivision thereof. In the Act, the State has pledged and agreed with the holders of any Bonds that the State will not limit or alter the rights hereby vested in the Bank to fulfill the terms of any agreements made with the said Bondholders or in any way impair the rights and remedies of such holders until such Bonds, together with the interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of such holders of Bonds are fully met and discharged.

SECTION 3.12. Immunity of Officers and Directors.

No recourse shall be had for the payment of the Bonds or for any claim based thereon or upon any obligation, covenant, or agreement in this Indenture contained against any past,

present, or future officer, member, director, agent, or employee of the Bank or any officer, member, director, trustee, agent, or employee of any successor entities thereto, as such, either directly or through the Bank or any successor entities, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, directors, trustees, agents, or employees as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and issuance of such Bonds.

ARTICLE IV. REDEMPTION

SECTION 4.01. Privilege of Redemption and Redemption Prices and Terms for the Bonds. If the Municipality directs the Bank to redeem the Bonds pursuant to the Municipality Resolution, the Bank agrees to accept redemption and redeem the Bonds as set forth in this Section 4.01. The Bonds which mature after _____ 1, 20____, are subject to optional redemption on any date on or after _____ 1, 20____, in whole or in part upon payment of the Redemption Price equal to one hundred percent (100%) of the principal amount of bonds to be redeemed, plus accrued interest to the Redemption Date.

SECTION 4.02. Method of Bank's Election or Direction to Redeem Bonds.

In the case of any redemption of Bonds, the Bank shall give written notice to the Trustee of its election or direction so to redeem, of the Redemption Date, of the principal amounts of the Bonds of each maturity to be redeemed (which maturities and principal amounts thereof to be redeemed shall be determined by the Bank in its sole discretion, subject to any limitations with respect thereto contained in the Bank Act or this Indenture) and of the moneys to be applied to the payment of the Redemption Price. Such notice shall be given at least thirty (30) days but not more than sixty (60) days prior to the Redemption Date. On the Redemption Date, the Bank shall pay to the Trustee an amount in cash, which, in addition to other monies, if any, available therefor held by such Trustee, will be sufficient to redeem, on the Redemption Date at the Redemption Price thereof, together with interest accrued to the Redemption Date, all of the Bonds to be redeemed.

SECTION 4.03. Selection of Bonds to be Redeemed.

If less than all of the Bonds are to be redeemed, the Bonds shall be redeemed only in whole multiples of \$5,000. For purposes of redemption, each \$5,000 of principal shall be considered as a Bond. If less than all of the Bonds shall be called for redemption, the principal amount and maturity of the particular Bonds to be redeemed shall be selected by the Bank and the Trustee shall select the particular Bonds to be redeemed by lot within a maturity in such manner as the Trustee may determine. If redemption at a Redemption Price exceeding one hundred percent (100%) of the principal amount redeemed is to take place as of any mandatory sinking fund Redemption Date, the Bonds to be so redeemed by such mandatory sinking fund redemption shall be selected by lot prior to the selection of the Bonds to be redeemed on the same date by operation of the optional redemption provisions set forth herein.

SECTION 4.04. Redemption Payments. Prior to the Trustee giving any notice pursuant to Section 4.05 of the optional redemption of Bonds under Section 4.01(a), funds shall be deposited with the Trustee in an amount sufficient to pay the Redemption Price of the Bonds or portions thereof called, together with accrued interest thereon to the Redemption Date. The Trustee is hereby authorized and directed to apply such funds to the payment of such Bonds. If proper notice of redemption by mailing has been given as provided in Section 4.05 and sufficient funds for redemption shall be on deposit with the Trustee as aforesaid, interest on the Bonds or portions thereof thus called shall no longer accrue after the date fixed for redemption. No payment shall be made by the Trustee upon any Bond or portion thereof called for redemption until such Bond or portion thereof shall have been delivered for payment or cancellation or the Trustee shall have received the items required by Section 3.05 hereof with respect to any mutilated, lost, stolen, or destroyed Bond.

SECTION 4.05. Notice of Redemption. Notice of the call for any redemption, identifying the Bonds to be redeemed, shall be given by the Trustee by mailing a copy of the redemption notice by registered or certified mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the Bond Register. Failure to give such notice by mailing to any Bondholder or any defect in such notice, shall not affect the validity of any proceeding for the redemption of any other Bonds.

SECTION 4.06. Cancellation. All Bonds which have been redeemed shall not be reissued but shall be cancelled and destroyed by the Trustee in accordance with Section 3.07 hereof.

GENERAL COVENANTS

SECTION 5.01. Payment of Debt Service.

The Bank covenants and agrees that it will promptly pay the principal of, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates, and in the manner provided herein and in said Bonds according to the true intent and meaning thereof, provided that the principal, premium, if any, and interest are payable by the Bank solely from Revenues and any other funds or assets constituting the Trust Estate herein pledged to the Trustee as security by the Bank to the extent of that pledge.

SECTION 5.02. Performance of Covenants; Bank.

The Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Indenture, if any, and every Bond executed, authenticated, and delivered hereunder and in all of its proceedings pertaining thereto. The Bank covenants and agrees that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds authorized hereby and to execute this Indenture and to pledge the Revenues and all other property hereby pledged in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken, and that the Bonds in the possession of the owners thereof are and will be valid and enforceable limited obligations of the Bank according to the terms thereof and hereof.

SECTION 5.03. Instruments of Further Assurance.

The Bank covenants and agrees that the Trustee may defend its rights to the payment of the Revenues for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever. The Bank covenants and agrees that it will do, execute, acknowledge, and deliver, or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning, and confirming unto the Trustee all and singular the rights assigned hereby and the amounts and other property pledged hereby to the payment of the principal of and interest on the Bonds.

SECTION 5.04. Covenants Concerning Program.

(a) In order to provide for the payment of the principal, premium, if any, and interest on the Bonds and Program Expenses, the Bank shall from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of this Indenture, and sound banking practices and principles, to the extent necessary to provide for the payment of the Bonds: (i) do all such acts and things as shall be necessary to receive and collect Revenues (including enforcement of the prompt collection of all arrears on the Qualified Obligation) and (ii) diligently enforce, and take all steps, actions, and proceedings reasonably necessary in the judgment of the Bank to protect its rights with respect to or to maintain any insurance on the Qualified Obligation and to enforce all terms, covenants, and conditions of the Qualified Obligation including the collection, custody, and prompt application of all Qualified Obligation Payments and deposits required by the terms of the Qualified Obligation for the purposes for which they were made.

(b) Whenever necessary in order to provide for the payment of debt service on the Bonds, the Bank shall commence appropriate remedies with respect to the occurrence of any event of default in connection with the Qualified Obligation or any other bonds issued by the Municipality pursuant to a resolution of the Municipality and as authorized by a supplemental bond resolution.

SECTION 5.05. Possession and Inspection of Qualified Obligation.

The Trustee covenants and agrees to retain or cause its agent to retain possession of the Qualified Obligation and a copy of the transcript or documents related thereto and release them only in accordance with the provisions of this Indenture. The Bank and the Trustee covenant and agree that all records and documents in their possession relating to the Qualified Obligation shall at all times be open to inspection by such accountants or other agencies or persons as the Bank or the Trustee may from time to time designate.

SECTION 5.06. Accounts and Reports.

The Bank covenants and agrees to keep proper records and accounts (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Program, the Qualified Obligation, and the Funds and Accounts established by this Indenture. Such records, and all other records and papers of the Bank, and such Funds and Accounts, shall at all reasonable times be subject to the inspection of the Trustee

and the Beneficial Owners of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The Trustee covenants and agrees, if requested, to provide to the Bank prior to the twentieth (20th) day of the month following the end of each six-month period, commencing with the period ending _____ 1, 20____, a statement of the amount on deposit in each Fund and Account as of the first day of that month and of the total deposits to and withdrawals from each Fund and Account during the preceding six-month (6-month) period.

The reports, statements, and other documents required to be furnished to or by the Trustee pursuant to any provision of this Indenture shall be provided to the Beneficial Owners of an aggregate of not less than five percent (5%) in principal amount of the Bonds then Outstanding who file or have filed a written request therefor with the Trustee with any such costs of such documents to be paid by the Bondholder.

SECTION 5.07. Bank Covenants with Respect to the Qualified Obligation.

(a) The Bank covenants and agrees that it will not permit or agree to any material change in the Qualified Obligation.

(b) The Bank covenants and agrees that it will enforce or authorize the enforcement of all remedies available to owners or holders of the Qualified Obligation; provided, however, that decisions as to the enforcement of remedies shall be within the sole discretion of the Trustee as set forth in Article X hereof.

(c) The Bank covenants and agrees that it will not sell or dispose of the Qualified Obligation.

SECTION 5.08. Monitoring Investments.

The Bank covenants and agrees to regularly review the investments held by the Trustee in the Funds and Accounts for the purpose of assuring that the Revenues derived from such investments are sufficient to provide, with other anticipated Revenues, the debt service on Outstanding Bonds.

SECTION 5.09. Covenants Concerning Preservation of Tax Exemption.

The Bank hereby covenants and agrees to take all qualifying actions and shall take any qualifying actions that are necessary in order to protect and preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds. For this purpose, the Bank shall approve and deliver to the Trustee a certificate concerning the provisions of the Code necessary to protect and preserve such exclusion. Such certificate may only be amended from time to time upon the receipt by the Trustee of an opinion of Bond Counsel to the effect that compliance by the Bank with the certificate will not adversely affect the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes.

ARTICLE VI. REVENUES AND FUNDS

SECTION 6.01. Source of Payment of Bonds.

The Bonds and all payments by the Bank hereunder are limited obligations of the Bank payable solely out of the Trust Estate as authorized by the constitution and statutes of the State, including particularly the Act and this Indenture, as provided herein.

SECTION 6.02. Creation of Funds.

There are hereby created by the Bank and ordered established the General Fund and the Rebate Fund to be held by the Trustee. There is hereby created and established in the General Fund the following: a "General Account," a "Bond Issuance Expense Account," a "Redemption Account," and a "Purchase Account." Upon the written request of the Bank, the Trustee shall establish and maintain hereunder such additional Funds, Accounts or subaccounts as the Bank may specify from time to time to the extent that in the judgment of the Trustee the establishment of such Fund or Account is not to the material prejudice of the Trustee or the Bondholders.

SECTION 6.03. Deposit of Net Proceeds of Bonds.

The Trustee shall deposit the proceeds from the sale of the Bonds in the manner provided in Section 2.02 hereof.

SECTION 6.04. Deposit of Revenues and Other Receipts.

Upon receipt of any Revenues or other receipts (except the proceeds of the Bonds and moneys received upon sale or redemption prior to maturity of the Qualified Obligation), the Trustee shall deposit such amounts into the General Account of the General Fund.

SECTION 6.05. Operation of General Account.

The Trustee shall deposit in the General Account of the General Fund all amounts required to be deposited therein pursuant to the provisions of this Article VI.

The Trustee shall invest funds in the General Account in accordance with Article VIII hereof and shall make the following payments from the General Account on the specified dates and, if there are not sufficient funds to make all the payments required, with the following order of priority:

- (a) On or before three (3) Business Days next preceding each Interest Payment Date, to the Registered Owners such amount (including Investment Securities held by the Trustee maturing or callable on or before the applicable Interest Payment Date) as shall be necessary to pay the principal and interest coming due on the Bonds on such Interest Payment Date;
- (b) At such times as shall be necessary, to pay Program Expenses;

(c) On or before thirty (30) days after each anniversary of the issuance of the Bonds, the amounts, if any, to be transferred to the Rebate Fund; and

(d) After making such payments in paragraphs (a) through (c) above, the Trustee shall make a determination of the amounts reasonably expected to be received in the form of cash in the succeeding twelve (12) months and shall transfer all moneys in the General Account which, together with such expected receipts for the succeeding twelve (12) months are in excess of the amounts needed to pay principal and interest on the Bonds within the immediately succeeding twelve month period, to the Municipality at the request of the Municipality with the prior written approval of the Bank.

SECTION 6.06. Operation of the Redemption Account. The Trustee shall deposit in the Redemption Account all moneys received upon the sale or redemption prior to maturity of the Qualified Obligation and all other moneys required to be deposited therein pursuant to the provisions of Article IV and Article VI hereof, shall invest such funds pursuant to Article VIII hereof and shall disburse the funds held in the Redemption Account to redeem Bonds. Such redemption shall be made pursuant to a redemption under the provisions of Article IV hereof. The Trustee shall pay the interest accrued on the Bonds so redeemed to the date of redemption from the General Account and the Redemption Price from the Redemption Account.

SECTION 6.07. Operation of the Purchase Account.

The Trustee shall deposit in the Purchase Account all moneys required to be deposited therein pursuant to the provisions of Section 2.02 and Article VI hereof, shall invest such funds pursuant to Article VIII hereof, and shall disburse the funds held in the Purchase Account to purchase the Qualified Obligation in accordance with the procedures established by the Bank as set forth in Article VII hereof upon the submission of requisitions of the Bank signed by an Authorized Officer stating that all requirements with respect to such financing set forth in this Indenture have been or will be complied with. Upon purchase of the Qualified Obligation, the Municipality will provide for the deposit of such funds in the 2018 Improvements Fund established under the Municipality Resolution, which funds will be used by the Municipality to finance the Authorized Purpose. Any amount remaining in the Purchase Account after purchase of the Qualified Obligations shall be transferred to the Redemption Account of the General Fund and used for the redemption of Bonds as permitted in Section 6.06.

SECTION 6.08. Operation of Bond Issuance Expense Account.

The Trustee shall deposit in the Bond Issuance Expense Account the moneys required to be deposited therein pursuant to Section 2.02 of this Indenture, shall invest such funds pursuant to Article VIII hereof, and shall disburse the funds held in the Bond Issuance Expense Account as follows:

(a) Upon receipt of acceptable invoices and the written authorization of the Mayor or Clerk of the Municipality and an Authorized Officer of the Bank, to pay the Costs of Issuance of the Bonds or to reimburse the Bank for amounts previously advanced for such costs; and

(b) On the date that is sixty (60) days after the date of issuance of the Bonds, any funds remaining in the Bond Issuance Expense Account shall be transferred to the General Account of the General Fund.

SECTION 6.09. Operation of the Rebate Fund.

(a) The Trustee is authorized to establish and maintain, so long as any Bonds are Outstanding and are subject to a requirement that arbitrage profits be rebated to the United States of America, a separate fund to be known as the "Rebate Fund." The Trustee shall make information regarding the Bonds and investments hereunder available to the Bank and shall make deposits and disbursements from the Rebate Fund in accordance with the "memorandum of compliance" received from the Bank pursuant to Section 8.02 hereof, shall invest the Rebate Fund as directed by the Bank, and shall deposit income from such investments immediately upon receipt thereof in the Rebate Fund. Anything in this Indenture to the contrary notwithstanding, the provisions of this Section may be superseded or amended by an amended "memorandum of compliance" and accompanied by an Opinion of Bond Counsel addressed to the Trustee to the effect that the provisions of the amended "memorandum of compliance" will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(b) If a deposit to the Rebate Fund is required as a result of the computations made by or on behalf of the Bank, the Trustee shall, upon receipt of direction from the Bank, accept such payment for the benefit of the Bank and make transfers of moneys from the General Account to the Rebate Fund to comply with such direction. If amounts in excess of that required to be rebated to the United States of America accumulate in the Rebate Fund, the Trustee shall, upon direction from the Bank, transfer such amount to the General Account of the General Fund. Records of the determinations required by this Section and the "memorandum of compliance" and the investment instructions must be retained by the Trustee until six (6) years after the Bonds are no longer Outstanding.

(c) Not later than sixty (60) days following _____ 1, 20____, the Trustee shall, upon written request of the Bank pay to the United States of America one hundred percent (100%) of the amount required to be on deposit in the Rebate Fund as of such payment date provided that direction from the Bank for transfer of such amount to the Rebate Fund has been previously received by the Trustee pursuant to the provisions of Section 6.09(b), and further provided that funds were available in the General Account of the General Fund to fund one hundred percent (100%) of the amount required to be on deposit in the Rebate Fund as of such payment date. Each payment required to be paid to the United States of America pursuant to this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201. Each payment shall be accompanied by a copy of the Form 8038-G originally filed with respect to the Bonds, if any, and a statement of the Bank summarizing the determination of the amount to be paid to the United States of America.

SECTION 6.10. Moneys to be Held in Trust.

All moneys required to be deposited with or paid to the Trustee for the account of any Fund or Account established under any provision of this Indenture shall be held by the Trustee in trust and applied in accordance with the provisions of this Indenture, except for moneys held

pursuant to the Rebate Fund and any Accounts created thereunder and except for moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of the redemption of which has been duly given, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the security interest created hereby and shall not be subject to any lien or attachment by any creditor of the Bank. and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the security interest created hereby and shall not be subject to any lien or attachment by any creditor of the Bank.

SECTION 6.11. Amounts Remaining in Funds or Accounts.

Any amounts remaining in any Fund or Account after full payment of the Bonds and the fees, charges (including any required rebate to the United States of America), and expenses of the Trustee and all other amounts due and owing hereunder shall be distributed to the Municipality, except for any moneys owing to the Bank which shall be paid to such party and except as provided in Section 3.08 hereof.

SECTION 6.12. Certain Verifications.

The Bank and/or the Trustee from time to time may cause a firm of independent certified public accountants of national standing or other nationally recognized experts to supply the Bank and the Trustee with such information as the Bank or the Trustee may request in order to determine in a manner reasonably satisfactory to the Bank and the Trustee all matters relating to: (a) the sufficiency of projected cash flow receipts and disbursements with respect to the Funds and Accounts to pay the principal of and interest on the Bonds and Program Expenses; (b) the actuarial yields on the Outstanding Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Code; (c) the yields on any obligations acquired and held by the Bank and/or the Trustee; and (d) the rebate calculation required by Section 6.09 hereof. The Bank and/or the Trustee from time to time may also obtain an Opinion of Bond Counsel concerning post-issuance compliance with any federal legislation applicable to the Bonds. The fees of such independent certified public accountants and Bond Counsel shall constitute reimbursable Program Expenses.

ARTICLE VII. PURCHASE OF QUALIFIED OBLIGATION

SECTION 7.01. Terms and Conditions of Purchase.

The Qualified Obligation purchased by the Bank shall be purchased on the terms and conditions of and upon submission of the documents required by this Article VII.

SECTION 7.02. Purchases.

The Trustee shall pay the purchase price of the Qualified Obligation upon receipt by the Trustee of:

(a) a written requisition of the Bank signed by an Authorized Officer stating to whom payment is to be made and the amount to be paid;

(b) a certificate signed by an Authorized Officer attached to the requisition and certifying that the Municipality, pursuant to the Qualified Obligation Purchase Agreement, has sold or will sell the Qualified Obligation to the Bank, and is obligated to make Qualified Obligation Payments, and to pay all fees and charges required to be paid to the Bank under the Municipality Resolution, and that, to the knowledge of such officer, the Municipality is not in default under the payment terms or other material terms or provisions of any other obligations of the Municipality;

(c) a certified transcript of proceedings authorizing the issuance, execution, and delivery of the Qualified Obligation, which transcript shall contain the certifications required by the Act and such other certifications and representations which are reasonable and appropriate as determined by the Bank or Trustee;

(d) the opinions of Bond Counsel in form satisfactory to the Bank stating that the Qualified Obligation constitutes a valid and binding general obligation enforceable in accordance with its terms, subject to such enforcement limitations customarily contained in such opinions;

(e) the Qualified Obligation, registered as to both principal and interest to the Bank and delivered in accordance with the Act;

(f) an Opinion of Counsel for the Municipality in form satisfactory to the Bank stating that such Municipality is a "local governmental unit" within the meaning of the Act;

(g) a signed Qualified Obligation Purchase Agreement from the Municipality; and

(h) a certificate from the Municipality stating that either: (i) the Municipality is exempt from the rebate requirements of Section 148 of the Code, or (ii) the Municipality is subject to the rebate requirements of Section 148 of the Code and will comply with such provisions, or (iii) if the Municipality intends to meet an exception from rebate contained in Section 148(f)(4)(C) of the Code, it elects on or before the closing date to pay a penalty in lieu of rebate if such provisions are not met.

Upon receipt of the documents enumerated above, the Trustee shall pay such amount directly to the entity entitled thereto as named in such requisition.

SECTION 7.03. Retention and Inspection of Documents.

The Qualified Obligation and all documents received by the Trustee as required in this Article as a condition of payment may be relied upon by and shall be retained in the possession of the Trustee, subject at all times during normal business hours to the inspection of the Bank and, after written request received by the Trustee at least five (5) Business Days prior to the date of inspection, by any Beneficial Owner of at least five percent (5%) in principal amount of Outstanding Bonds.

SECTION 7.04. Report.

The Bank may require a report to be made by an officer or employee of the Trustee on behalf of the Trustee within sixty (60) days after the delivery of the Bonds covering all receipts

and all disbursements made pursuant to the provisions of this Article VII in respect of the net proceeds of the Bonds deposited in the Purchase Account. Said report shall be supplemented at least once every sixty (60) days by the Trustee until all of the net proceeds of the Bonds deposited in the Purchase Account shall have been expended. Each such report shall be mailed by the Trustee to the Bank.

ARTICLE VIII. INVESTMENT OF MONEYS

SECTION 8.01. General Provisions.

(a) Any moneys held as part of any Fund or Account created under or pursuant to Article VI hereof and the Rebate Fund shall be invested or reinvested by the Trustee as continuously as reasonably possible in such Investment Securities as may be directed in writing by the Bank. All such investments shall at all times be a part of the Fund or Account in which the moneys used to acquire such investments had been deposited and, except as provided in Article VI, all income and profits on such investments, other than from moneys on deposit in the Rebate Fund or any Account created thereunder, shall be deposited as received in the General Account. The Trustee may make any and all such investments through its bond department or through the bond department of any financial institution that is an affiliate of the Trustee and may trade with itself or any of its affiliates in doing so. Moneys in separate Funds and Accounts may not be commingled for the purpose of investment or deposit. Any investment losses shall be charged to the Fund or Account in which moneys used to purchase such investment had been deposited. For so long as the Trustee is in compliance with the provisions of this Section 8.01, the Trustee shall not be liable for any investment losses. Moneys in any Fund or Account shall be invested in Investment Securities with a maturity date that shall coincide as nearly as practicable with times at which moneys in such Funds or Accounts will be required for the purposes thereof. The Trustee shall sell and reduce to cash a sufficient amount of such investments in the respective Fund or Account whenever the cash balance therein is insufficient to pay the amounts contemplated to be paid therefrom at the time those amounts are to be paid. All investment income from the assets held in any Fund or Account, except for the Rebate Fund and any Accounts created thereunder, will be added to the General Account.

(b) The Bank (i) certifies to the owners of the Bonds from time to time Outstanding that moneys on deposit in any Fund or Account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, are not intended to be used in a manner which will cause the interest on the Bonds to lose the exclusion from gross income for federal income tax purposes and (ii) covenants with the owners of the Bonds from time to time Outstanding that, so long as any of the Bonds remain Outstanding, moneys on deposit in any Fund or Account established in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other source, will not be used in any manner which will cause the interest on the Bonds to become subject to federal income taxation.

SECTION 8.02. Arbitrage Restrictions; Bonds to Remain Tax Exempt.

(a) The Bank shall provide the Trustee with the “memorandum of compliance” which shall govern the investment of the Funds and Accounts and the application of Section 6.09 hereof.

(b) Without limiting subsection (b) of Section 8.01 hereof, the Bank further covenants and agrees that it will not take any action or fail to take any action with respect to the investment of the proceeds of the Bonds, or with respect to the investment or application of any payments under the Qualified Obligation or any other agreement or instrument entered into in connection therewith or with the issuance of the Bonds, including but not limited to the obligation, if any, to rebate certain funds to the United States of America, which would result in constituting the Bonds as arbitrage bonds within the meaning of such term as used in Section 148 of the Code. The Bank further agrees that it will not act in any other manner that would adversely affect the exclusion from gross income tax for federal income tax purposes of the interest on the Bonds.

ARTICLE IX. DISCHARGE OF INDENTURE

SECTION 9.01. Discharge of Indenture.

Except as provided in this Article IX, if payment or provision for payment is made to the Trustee, of the principal of, premium, if any, and interest due and to become due on the Bonds at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions hereof, and all other amounts due hereunder have been paid in full, then these presents and the Trust Estate and rights hereby granted shall cease, terminate, and be void, whereupon the Trustee shall cancel and discharge the lien of this Indenture, and execute and deliver to the Bank such instruments in writing as shall be requisite to cancel and discharge the lien hereof, and release, assign, and deliver unto the Bank any and all estate, right, title, and interest in and to any and all rights assigned or pledged to the Trustee hereby or otherwise subject to the lien of this Indenture, except moneys or securities held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Indenture when:

(a) payment of the principal of (and premium, if any, on) such Bond and interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture or otherwise), either: (i) shall have been made or caused to have been made in accordance with the terms thereof or (ii) shall have been provided for by irrevocably depositing with the Trustee or other financial institution (which must meet the requirements of Section 11.07 hereof) which provides services as escrow agent for the Bank (for purposes of this Article, an "Escrow Agent"), in trust and exclusively for such payment, (A) moneys sufficient to make such payment or (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment, or (C) a combination of such moneys and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee

pertaining to the Bonds, including the amount, if any, required to be rebated to the United States of America in accordance with the “memorandum of compliance” and Section 6.09 hereof, with respect to which such deposit is made shall have been paid or deposited with the Trustee.

Notwithstanding the foregoing, in the case of Bonds which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Bank shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(i) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a Redemption Date (which shall be any Redemption Date permitted by this Indenture);

(ii) to call for redemption pursuant to this Indenture any Bonds to be redeemed prior to maturity pursuant to subparagraph (i) hereof; and

(iii) to mail, as soon as practicable, in the manner prescribed by Article IV hereof for notice of the redemption of Bonds, a notice to the owners of such Bonds that the deposit required by (ii) of the preceding paragraph has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or Redemption Date upon which moneys are to be available for the payment of the principal of or Redemption Price, if applicable, of said Bonds as specified in subparagraph (i) of this paragraph.

Any moneys so deposited with the Trustee as provided in this Article may at the direction of the Bank also be invested and reinvested in Governmental Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Governmental Obligations in the hands of the Trustee pursuant to this Article which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the General Account of the General Fund, as and when and collected for use and application, as are other moneys deposited in the General Account of the General Fund.

With respect to the Bonds, no such deposit under this Article shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an Opinion of Bond Counsel to the effect that such deposit and use would not cause any of the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code. Moreover, no such deposit shall be deemed a payment of such Bonds unless the Trustee shall have received a verification from an accountant or firm of accountants appointed by the Bank and acceptable to the Trustee verifying the sufficiency of the deposit to pay the principal of, premium, if any, and interest on the Bonds to the due date, whether such due date be by reason of maturity or upon redemption.

Notwithstanding any provision of any other Article of this Indenture which may be contrary to the provisions of this Article, all moneys or Governmental Obligations set aside and held in trust pursuant to the provisions of this Article for the payment of Bonds (including interest thereon but excluding any amounts set aside for rebate to the United States of America) shall be applied to and used solely for the payment of the particular Bonds (including premium,

if any, and interest thereon) with respect to which such moneys or obligations have been so set aside in trust.

Upon the deposit with the Trustee, in trust, at or before maturity, of money or Governmental Obligations in the necessary amount to pay or redeem all Outstanding Bonds as aforesaid (whether upon or prior to their maturity or the Redemption Date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as hereinabove provided, or provisions satisfactory to the Trustee shall have been made for the giving of such notice, and compliance with the other payment requirements hereof, this Indenture may be discharged in accordance with the provisions hereof but the limited liability of the Bank in respect of such Bonds shall continue provided that the owners thereof shall thereafter be entitled to payment only out of the moneys or Governmental Obligations deposited with the Trustee as aforesaid.

ARTICLE X. DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

SECTION 10.01. Defaults; Events of Default.

If any of the following events occurs, it is hereby defined as and declared to be and to constitute an "Event of Default":

- (a) Default in the due and punctual payment of any interest on any Bond; or
- (b) Default in the due and punctual payment of the principal or redemption premium of any Bond whether at the stated maturity thereof or on any date fixed for redemption; or
- (c) Failure of the Bank to remit to the Trustee within the time limits prescribed herein any moneys which are required by this Indenture to be so remitted; or
- (d) Default in the performance or observance of any other of the covenants, agreements, or conditions on the part of the Bank contained in this Indenture or in the Bonds and failure to remedy the same within the time provided in, and after notice thereof pursuant to, Section 10.10 hereof; or
- (e) Any warranty, representation, or other statement by or on behalf of the Bank contained in this Indenture or in any instrument furnished in compliance with or in reference to this Indenture is false or misleading, when made, in any material respect, and failure to remedy the same within the time provided in, and after notice thereof pursuant to, Section 10.10 hereof; or
- (f) A petition is filed against the Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law of any jurisdiction whether now or hereafter in effect and is not dismissed within sixty (60) days after such filing; or
- (g) The Bank files a petition in voluntary bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, adjustment of debt,

dissolution, or liquidation law of any jurisdiction whether now or hereafter in effect, or consents to the filing of any petition against it under such law; or

(h) The Bank is generally not paying its debts as such debts become due, or becomes insolvent or bankrupt, or makes an assignment for the benefit of creditors, or a liquidator or trustee of the Bank or any of its property is appointed by court order or takes possession of such property and such order remains in effect or such possession continues for more than sixty (60) days; or

(i) Default in the due and punctual payment of any interest or principal on the Qualified Obligation; or

(j) There is a default under the Qualified Obligation and the Municipality Resolution.

SECTION 10.02. Remedies; Rights of Bondholders.

Upon the occurrence of an Event of Default, the Trustee shall notify the owners of all Bonds then Outstanding of such Event of Default by registered or certified mail, and will have the following rights and remedies:

(a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on the Bonds then Outstanding, including enforcement of any rights of the Bank or the Trustee under the Qualified Obligation, including, but not limited to, acceleration thereof.

(b) The Trustee may by action or suit in equity require the Bank to account as if it were the trustee of an express trust for the holders of the Bonds and may take such action with respect to the Qualified Obligation as the Trustee deems necessary or appropriate and in the best interest of the Bondholders, subject to the terms of the Qualified Obligation.

(c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under this Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues, earnings, income, products, and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

(d) The Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with this Indenture and the Act, by notice to the Bank and the Municipality.

Upon the occurrence of an Event of Default, (a) if requested so to do by the holders of twenty-five percent (25%) or more in aggregate principal amount of all Bonds then Outstanding and if indemnified as provided in Section 11.01(k) hereof, or (b) if indemnified as provided in Section 11.01(k) hereof, the Trustee shall be obligated to exercise such one or more of the rights, remedies, and powers conferred by this Section as the Trustee, being advised by Counsel, shall deem most expedient in the interests of the Bondholders.

No right or remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and shall be in addition to any other right or remedy given to Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute. The assertion or employment of any right or remedy shall not prevent the concurrent or subsequent assertion or employment of any other right or remedy.

No delay or omission to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right or remedy may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

SECTION 10.03. Rights of Bondholders to Direct Proceedings.

Anything in this Indenture to the contrary notwithstanding, the Beneficial Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time during the continuance of an Event of Default, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or any other proceedings hereunder; provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

SECTION 10.04. Appointment of Receivers.

Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the Bondholders under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues, earnings, income, products, and profits thereof, pending such proceedings with such powers as the court making such appointment shall confer.

SECTION 10.05. Application of Moneys.

All moneys received by the Trustee pursuant to any right or remedy given or action taken under the provisions of this Article (including moneys received by virtue of action taken under provisions of the Municipality Resolution and the Qualified Obligation) shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee and any other moneys owed to the Trustee hereunder, be deposited in the General Account and all moneys in such Accounts shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Bonds, including interest on any past due principal of any Bond at the rate borne by such Bond, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to such payment ratably, according to the amounts due on such installments, to the persons entitled thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due either at maturity or pursuant to a call for redemption (other than Bonds called for redemption for the payment of which other moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of Bonds due on any particular date, together with such interest, then to such payment ratably, according to the amount of principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment of principal to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all principal of and interest on all Bonds have been paid under the provisions of this Section and all expenses and charges of the Trustee have been paid and all other amounts due hereunder have been paid in full, any balance remaining in the General Account shall be paid as provided in Article VI hereof.

SECTION 10.06. Remedies Vested in the Trustee.

All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding related thereto and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any owners of the Bonds, and any recovery of judgment shall be for the equal and ratable benefit of the owners of all the Outstanding Bonds.

SECTION 10.07. Rights and Remedies of Bondholders.

No owner of any Bond shall have any right to institute any suit, action, or proceeding at law or in equity for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless: (a) a Default has occurred, (b) such Default shall have become an Event of Default and the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the remedies hereinbefore granted or to institute such action, suit, or proceeding in its own name, (c) such Beneficial Owners of Bonds have offered to the Trustee indemnity as provided in Section 11.01(k) hereof, and (d) the Trustee has refused or for sixty (60) days after receipt of such request and offer of indemnification has failed to exercise the remedies hereinbefore granted or to institute such action, suit, or proceeding in its own name, and such request and offer of indemnity are hereby declared in every case at the option of Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more owners of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by its, his, her, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal and ratable benefit of the owners of all Bonds then Outstanding. However, nothing contained in this Indenture shall affect or impair the right of any Bondholder to enforce the payment of the principal of, premium, if any, and interest on any Bond at and after the maturity thereof, or the limited obligation of the Bank to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder to the respective owners thereof at the time and place, from the source and in the manner expressed in the Bonds.

SECTION 10.08. Termination of Proceedings.

In case the Trustee or any owner of any Bonds shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Bank, the Trustee, and the Bondholders shall be restored their former positions and rights hereunder, respectively, and with regard to the property herein subject to this Indenture, and all rights, remedies, and powers of the Trustee and the owners of Bonds shall continue as if no such proceedings had been taken.

SECTION 10.09. Waivers of Events of Default.

The Trustee may at its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Beneficial Owners of (a) more than sixty-six and two-thirds percent (66 2/3%) in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists, or (b) more than fifty percent (50%) in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (c) any Event of Default in the payment of the principal of any Outstanding Bond at the date of maturity specified therein or (d) any Event of Default in the payment when due of the interest on any Outstanding Bond unless prior to such waiver all of the interest or all payments of principal when due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with such Event of Default shall have been paid or provided for or (e) any Event of Default for nonpayment of Program Expenses. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Bank, the Trustee, and the Bondholders shall be restored to their former positions and rights hereunder, respectively, but no such waiver or recession shall extend to any subsequent or other Event of Default or impair any rights consequent thereon.

SECTION 10.10. Notice of Defaults under Section 10.01(d) or (e); Opportunity of the Bank to Cure Such Defaults.

Anything herein to the contrary notwithstanding, no Default under Section 10.01(d) or (e) hereof shall constitute an Event of Default until actual notice of such Default by registered or certified mail shall be given to the Bank by the Trustee or the Beneficial Owners of not less than twenty-five percent (25%) in aggregate principal amount of all Bonds then Outstanding and the Bank shall have had sixty (60) days after receipt of such notice to correct the Default or cause the Default to be corrected, and shall not have corrected the Default or caused the Default to be corrected within the applicable period; provided, however, if the Default be such that it is correctable but cannot be corrected within the applicable period, it shall not constitute an Event of Default if corrective action is instituted by the Bank within the applicable period and diligently pursued until the Default is corrected. If a Default is cured under this Section 10.10, then it will not constitute an Event of Default.

With regard to any alleged Default concerning which notice is given to the Bank under the provisions of this Section, the Bank hereby grants to the Trustee full authority for the account of the Bank to perform any covenant or obligation, the failure of performance which is alleged in said notice to constitute an Event of Default, in the name and stead of the Bank with full power to do any and all things and acts to the same extent that the Bank could do and perform any such things and acts and with power of substitution.

**ARTICLE XI.
TRUSTEE**

SECTION 11.01. Acceptance of the Trusts.

The Trustee hereby accepts the trusts and duties imposed upon it by this Indenture, and agrees to perform said trusts and duties with the same degree of care and skill in their exercise, as a prudent corporate trustee would exercise or use under the circumstances in the conduct of its own affairs, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise the rights and powers vested in it by this Indenture in accordance with the standard specified above.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees but shall not be answerable for the conduct of the same if appointed in accordance with the standard specified above, and shall be entitled to advice of Counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney or firm of attorneys (who may be the attorney or firm of attorneys for the Bank), approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds, other than the Certificate of Authentication required by Section 3.04 hereof, or for the validity of the execution by the Bank of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not the Trustee and Bonds owned by the Trustee shall be deemed Outstanding unless canceled pursuant to the provisions hereof.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document reasonably believed to be genuine and correct and to have been signed or sent by the proper person or persons. The Trustee shall not withhold unreasonably its consent, approval, or action to any reasonable request of the Bank. Any action taken by the Trustee pursuant to this Indenture upon the request of the Bank or consent of any person who at the time of making such request or giving such consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Trustee shall be entitled in good faith to rely upon a certificate signed by an Authorized Officer as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has become aware shall also be at liberty to accept a similar certificate to the effect that any particular dealing,

transaction, or action is necessary or expedient but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Officer of the Bank under its seal to the effect that a resolution in the form therein set forth has been adopted by the Bank as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for such other than for its gross negligence or willful default.

(h) At any and all reasonable times the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives shall have the right to inspect any and all of the books, papers and records of the Bank pertaining to the Revenues and receipts pledged to the payment of the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Bank to the authentication of any Bonds, the withdrawal of any cash or the taking of any other action by the Trustee.

(k) Before taking any action referred to in Section 10.02, 10.03 or 10.07 hereof, the Trustee may require that a satisfactory indemnity bond or other security be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its gross negligence or willful default.

(l) All moneys received by the Trustee shall, until used, applied, or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. The Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

(m) The Trustee for all purposes of this Indenture shall be deemed to be aware of any Event of Default in the payment of principal, premium, if any, or interest on any of the Bonds.

SECTION 11.02. Fees, Charges, and Expenses of the Trustee.

The Trustee shall be entitled to prompt payment and reimbursement upon demand for reasonable fees for its services rendered hereunder and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and

charges of the Trustee as paying agent and registrar for the Bonds but only as hereinabove provided. Upon any Event of Default, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment on account of principal of or interest on any Bond upon the Trust Estate for the foregoing fees, charges, and expenses incurred by it, respectively.

SECTION 11.03. Intervention by the Trustee.

In any judicial proceeding to which the Bank is a party and which in the opinion of the Trustee and its Counsel has a substantial bearing on the interests of the owners of the Bonds, the Trustee may intervene on behalf of the Bondholders, and shall do so if requested in writing by the Beneficial Owners of at least twenty-five percent (25%) of the aggregate principal amount of Bonds then Outstanding upon receiving indemnification satisfactory to the Trustee.

SECTION 11.04. Successor Trustee.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party ("Reorganization"), ipso facto shall be and become successor Trustee hereunder, if legally qualified to serve as such, and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; provided that within thirty (30) days of the effective date of such Reorganization, the Bank may object to such corporation or association becoming successor Trustee by filing written notice of such objection with the Trustee and by mailing such notice to each Bondholder whereupon a successor or temporary Trustee shall be appointed in accordance with Section 11.07 hereof.

SECTION 11.05. Resignation by the Trustee.

The Trustee and any successor Trustee may at any time resign from the trusts hereby by giving thirty (30) days written notice by registered or certified mail to the Bank, the Municipality and the owner of each Bond as shown by the list of Bondholders required by this Indenture to be kept at the office of the Trustee, and such resignation shall only take effect upon the appointment of a successor Trustee in accordance with Section 11.07 and acceptance of such appointment by the successor Trustee. Notwithstanding any other provision of this Indenture, no removal, resignation, or termination of the Trustee shall take effect until a successor shall be appointed.

SECTION 11.06. Removal of the Trustee.

The Trustee may be removed at any time with or without cause by an instrument or concurrent instruments in writing delivered to the Trustee and to the Bank and signed by the (a) the Municipality or (b) the Beneficial Owners of a majority in aggregate principal amount of all Bonds then Outstanding or their attorneys-in-fact duly authorized. Notice of the removal of the Trustee shall be given in the same manner as provided in Section 11.05 hereof with respect to the resignation of the Trustee. So long as no Event of Default or an event which, with the passage of

time would become an Event of Default, shall have occurred and be continuing, the Trustee may be removed at any time for cause by resolution or other official written action taken by the Bank with such written action to be filed with the Trustee.

SECTION 11.07. Appointment of Successor Trustee by the Bondholders; Temporary Trustee.

In case the Trustee shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys-in-fact duly authorized, a copy of which shall be delivered personally or sent by registered mail to the Bank and the Municipality. Nevertheless, in case of such vacancy, the Bank by resolution may appoint a temporary Trustee to fill such vacancy. Within ninety (90) days of such appointment, the Bondholders may appoint a successor Trustee; any such successor Trustee so appointed by the Bank shall become the successor Trustee if no appointment is made by the Bondholders within such period, but in the event an appointment is made by the Bondholders, the temporary Trustee shall immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a successor Trustee shall be given in the same manner as provided by Section 11.05 hereof with respect to the resignation of a Trustee. Every such Trustee appointed pursuant to the provisions of this Section shall be a trust company or bank having its principal place of business in the United States of America duly authorized to exercise trust powers and having a reported capital and surplus of not less than \$75,000,000, if there be such an institution willing, qualified, and able to accept the trust upon reasonable or customary terms.

SECTION 11.08. Concerning Any Successor Trustee.

Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Bank and the Municipality an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessors; but such predecessor shall, nevertheless, on the written request of the Bank or the Municipality, after the payment of all fees, charges, and expenses which may be due and owing to such predecessor pursuant to the provisions of Section 11.02 hereof, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities, moneys, and other property or documents held by it as Trustee hereunder to its successor hereunder. Should any instrument in writing from the Bank be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Bank. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed or recorded by the successor Trustee in each recording office where this Indenture shall have been filed or recorded.

SECTION 11.09. Indemnification.

The Bank, will, to the fullest extent permitted by law, protect, indemnify, and save the Trustee and its respective officers, board members, agents, and employees, harmless from and against all liabilities, losses, damages, costs, expenses (including attorneys' fees and expenses of the Trustee), taxes, causes of action, suits, claims, demands, and judgments of any nature arising from:

(a) violation of any agreement, provision, or condition of this Indenture, the Qualified Obligation, the Bonds, or the Municipality Resolution except a violation by the Trustee resulting from its gross negligence or willful misconduct;

(b) any statement or information relating to the expenditure of the proceeds of the Bonds contained in the "Tax Certificate" or similar document furnished by the Municipality to the Bank which, at the time made, is misleading, untrue, or incorrect in any material respect; and

(c) any untrue statement or alleged untrue statement of a material fact contained in any offering material relating to the sale or remarketing of the Bonds (as from time to time amended or supplemented) or arising out of or based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, or failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner whereby or to whom the Bonds could be sold.

Promptly after receipt by the Trustee of notice of the commencement of any action with respect to which security and/or indemnity may be sought against the Bank under this Section, the Trustee will notify the Bank in writing of the commencement thereof, and, subject to the provisions hereinafter stated, the Bank shall assume the defense of such action (including the employment of Counsel or such other person as the case may be, and the payment of expenses). Insofar as such action shall relate to any alleged liability with respect to which security and/or indemnity may be sought against the Bank, the Trustee shall have the right to employ separate Counsel in any such action and to participate in the defense thereof, but the fees and expenses of such Counsel shall not be at the expense of the Bank unless the employment of such Counsel has been specifically authorized by the Bank. The Bank shall not be liable to indemnify any person for any settlement of any such action effected without its consent.

The provisions of this Section 11.09 shall survive the payment and discharge of the Qualified Obligation and the Bonds.

SECTION 11.10. Successor Trustee as Trustee of Funds, Paying Agent, and Registrar.

In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee of the funds provided hereunder and registrar and paying agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, registrar and paying agent.

ARTICLE XII.
SUPPLEMENTAL INDENTURES

SECTION 12.01. Supplemental Indentures not Requiring Consent of Bondholders.

The Bank and the Trustee may, without the consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers, or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the opinion of Bond Counsel, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to Section 12.02 hereof;
- (c) To subject to this Indenture additional Revenues, properties, or collateral;
- (d) To modify, amend, or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if they so determine, to add to this Indenture or any indenture supplemental hereto such other terms, conditions, and provisions as may be permitted by said Trust Indenture Act of 1939 or similar federal statute; and
- (e) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee hereunder or the succession of a new registrar and/or paying agent.

SECTION 12.02. Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of Supplemental Indentures provided for by Section 12.01 hereof and subject to the terms and provisions contained in this Section, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (exclusive of Bonds held by the Bank), shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Bank and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided, however, that nothing in this Section contained shall permit, or be construed as permitting, without the consent of the owners of all then Outstanding Bonds, (a) an extension of the maturity of the principal, the interest, or Redemption Date on any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or change in the rate of interest or redemption premium, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (e) the creation of

any lien securing any Bonds other than a lien ratably securing all of the Bonds at any time Outstanding hereunder, or (f) any modification of the trusts, powers, rights, obligations, duties, remedies, immunities, and privileges of the Trustee without the written consent of the Trustee.

If at any time the Bank shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes set forth in this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be mailed by registered or certified mail to each owner of a Bond at the address shown on the registration records maintained by the Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days, or such longer period as shall be prescribed by the Bank, following the mailing of such notice, the owners of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture (exclusive of Bonds held by the Bank) shall have consented to and approved the execution of such Supplemental Indenture as provided in Section 13.01 hereof, no owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Bank from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE XIII. MISCELLANEOUS

SECTION 13.01. Consents, etc., of Bondholders.

Any consent, request, direction, approval, objection, or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number or concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it or them under such request or other instrument, namely:

(a) The fact and date of the execution by any person of any such writing may be proved (i) by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof or (ii) by an affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers, and other identification of Bonds, and the date of holding the same shall be proved by the registration records of the Bank maintained by the Trustee pursuant to Section 3.06 hereof.

SECTION 13.02. Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company other than the parties hereto, and the owners of the Bonds, any legal or suitable right, remedy or claim under or in respect to this Indenture or any covenants, conditions, and provisions herein contained; this Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the owners of the Bonds as herein provided.

SECTION 13.03. Severability.

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative, or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative, or unenforceable to any extent whatever.

SECTION 13.04. Notices.

Any notice, request, complaint, demand, communication, or other paper shall be sufficiently given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed to the appropriate Notice Address. A duplicate copy of each notice required to be given hereunder by the Trustee or the Bank to the Municipality or the Underwriter shall also be given to the other. The Bank or the Trustee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, or other communications shall be sent.

SECTION 13.05. Trustee as Paying Agent and Registrar.

The Trustee is hereby designated and agrees to act as paying agent and registrar for and in respect to the Bonds.

SECTION 13.06. Payments Due on Saturdays, Sundays, and Holidays.

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be in the Municipality of payment a Saturday, Sunday, or a legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal may be made on the next Business Day with the same force and effect as if made on the date of maturity.

SECTION 13.07. Counterparts.

This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 13.08. Receipt of Money or Revenues by Trustee.

The Trustee is an authorized agent of the Bank for purposes of receiving money and Revenues on behalf of the Bank. It is not the intent of this Section 13.08, or any other Section of this Indenture, to create a power of attorney relationship between the Bank and the Trustee.

SECTION 13.09. Applicable Provisions of Law.

This Indenture shall be governed by and construed in accordance with the laws of the State.

[REMAINDER OF PAGE LEFT BLANK INTENTIONALLY

IN WITNESS WHEREOF, the Bank has caused this Indenture to be executed on its behalf by its Executive Director and the seal of the Bank to be hereunto affixed and duly attested by its Secretary and the Trustee, to evidence its acceptance of the trusts created hereunder, has caused this Indenture to be executed in its name by its duly authorized officers, all as of the day and year first above written.

(seal)

MISSISSIPPI DEVELOPMENT BANK

By: _____
Executive Director

ATTEST:

By: _____
Secretary

(seal)

_____, as Trustee

By: _____

Title: _____

By: _____

Title: _____

EXHIBIT E

POST ISSUANCE COMPLIANCE PROCEDURES

[ISSUING ENTITY]

**PROCEDURES FOR POST-ISSUANCE COMPLIANCE
TAX-EXEMPT FINANCINGS**

General

The purpose of these Procedures for Post-Issuance Compliance, Tax-Exempt Financings (the "Procedures") is to ensure that the tax-exempt financings of the _____ (the "Issuer") remain in compliance with the following federal tax requirements:

- Record retention
- Arbitrage yield restriction and rebate
- Proper and timely use of bond proceeds and bond-financed property
- Timely return filings
- Corrective actions
- Other general requirements

These Procedures apply to any obligations to which Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder (together, as applicable, the "Code") apply. The Issuer shall comply with any requirements set forth in the Code and subsequent rulings and other advice published by the Internal Revenue Service (the "Service" or the "IRS"), as such authorities may apply to the Issuer and its obligations.

The "Financing"

There are different types of obligations that can evidence a tax exempt loan including but not limited to bonds, notes, obligations, leases, or installment sales transactions. This document refers to "bonds" but applies to all of these types of transactions and all such debt instruments.

Responsible Parties

The Issuer designates the _____ [*Responsible Party, i.e., Mayor, Clerk, Chancery Clerk, Executive Director, Chairman, etc.*] as the primary person responsible for compliance with this policy. The _____ will coordinate efforts with the Board and parties working with the Issuer on financings and the operation of bond financed facilities to ensure that any actions taken with respect to bond financed facilities will be in compliance with the requirements of the Code and rulings of the IRS.

General Recordkeeping

The Issuer will maintain a copy of the following documents on file at all times:

- Audited Financial Statements for each years that tax-exempt bonds are outstanding
- Reports of any examinations by the IRS of the Issuer or its tax-exempt financings for, or in relation to conduit transactions with, the Issuer

With respect to each issue of tax-exempt bonds, the Issuer hereby requires, and each Issuer

agrees to retain, the following for the life of the bonds plus three years:

- Financing transcript
- Minutes and resolution(s) authorizing the issue
- Certifications of issue price
- Any formal elections (e.g., election to employ an accounting methodology other than specific tracing)
- Appraisals, demand surveys, and/or feasibility studies for bond-financed property
- Government grant documentation related to construction, renovation, or purchase of bond-financed facilities
- Bond Trustee or bank statements regarding investment and expenditures of bond funds
- Any agreement listed in "Private Business Use" (below) that relates to a bond financed facility

Separate Bank Account

Many of the Code provisions related to tax exempt bonds pertain to how bond proceeds are invested, and when such bond proceeds are spent. The Issuer will establish a separate bank account or trust fund for bond proceeds and keep records for any such account showing:

- All expenditures on the bond-financed property
- Investment of bond proceeds

Investments and Arbitrage Compliance

Many of the Code provisions deal with restrictions if bond proceeds are invested at a yield higher than the yield on the bonds. The _____ is responsible for monitoring such investments, and taking steps to ensure compliance with the yield restriction requirements of Section 148(a) of the Code and the rebate requirements of section 148(f) of the Code. Such monitoring includes, but is not limited to:

- tracking the allocation of bond proceeds to expenditures for compliance with any temporary period and spending exceptions, no less frequently than annually
- ensuring that any forms required to be filed with the IRS relating to arbitrage or rebate and any payments required pursuant thereto are filed in a timely manner
- ensuring that "fair market value" is used with respect to the purchase and sale of investments

Additionally, the _____ shall monitor compliance with rebate and yield restriction rules on an annual basis.

With respect to each issue of tax-exempt bonds, the Issuer agrees to retain the following for the life of the bonds plus three years:

- Documentation of allocations of investments of bond proceeds and calculations of investment earnings
- Documentation for investments of bond proceeds related to:
 - a) Investment contracts (e.g., guaranteed investment contracts)
 - b) Credit enhancement transactions (e.g., bond insurance contracts)

- c) Financial derivatives (e.g., swaps, caps, etc.)
 - d) Bidding of financial products
- Documentation regarding arbitrage compliance, including:
 - a) Computation of bond yield
 - b) Computation of rebate and yield reduction payments
 - c) Form 8038-T, *Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate*
 - d) Form 8038-R, *Request for Recovery of Overpayments Under Arbitrage Rebate Provisions*

Expenditures and Assets

The Code generally requires that at least 85% of bond proceeds are to be expended on the project within three years of the date the bonds are issued.

The _____ is responsible for oversight of the expenditure of bond proceeds, including monitoring whether such expenditures are made in a timely manner for the purposes for which the bonds were authorized. The _____ will ensure that all proceeds of a bond issue are allocated to expenditures by the later of 18 months after the expenditure was made or the date the project is placed in service (and in no event, later than 60 days after (i) the fifth anniversary of the issue date or (ii) retirement of the issue).

With respect to each issue of tax-exempt bonds, the Issuer shall retain the following for the life of the bonds plus three years:

- Documentation of allocations of bond proceeds to expenditures (e.g., allocation of bond proceeds for expenditures for the construction, renovation or purchase of facilities)
- Documentation of allocations of bond proceeds to bond issuance costs
- Copies of all requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to bond proceeds spent during the construction period
- Copies of all contracts entered into for the construction, renovation or purchase of bond-financed facilities
- Records of expenditure reimbursements incurred prior to issuing bonds for bond-financed facilities
- List or schedule of all bond-financed facilities or equipment
- Depreciation schedules for bond-financed depreciable property
- Documentation of any purchase or sale of bond-financed assets

Private Business Use

The legal and tax restrictions on private use of tax-exempt bond-financed property are set forth in detail in the applicable federal tax certificate executed in connection with the issue of tax-exempt bonds.

Generally, private use results from the sale or lease of tax-exempt bond-financed property or the granting of special legal entitlements to a private business or the Federal government. Private business use can also result from contracts that permit private business activities to be conducted using bond-financed property or from research performed in a tax-exempt bond-financed facility for private parties

or the Federal government.

Any material agreement that permits a private business or the Federal government to use tax-exempt bond-financed property should be reviewed by Bond Counsel prior to execution. Annually, a general review of the use of tax-exempt bond-financed facilities should be conducted. Tax-exempt bond-financed property should not be sold or leased without first consulting with Bond Counsel.

Corrective Action

A corrective action may be required if, for example, it is determined that bond proceeds were not properly expended, the Issuer is not in compliance with the arbitrage requirements imposed by the Code or the Issuer has taken a deliberation action that results in impermissible private business use (e.g., sale or lease of bond-financed property) or entering a management contract with a private company for that facility. If the Issuer determines or is advised that corrective action is necessary with respect to any issue of its tax-exempt obligations, the Issuer will in a timely manner:

- seek to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2001-60 (or any successor notice thereto)
- take remedial action described under Section 1.141-12 of the Code
- take such other action as recommended by Bond Counsel

Internal Revenue Service Examination of Bonds

In the event that bonds issued by the Issuer are selected for examination by the IRS, the Issuer shall retain qualified and experienced counsel to represent the Issuer and shall work with such counsel to provide such documents and information requested by the IRS as are in the possession of the Issuer.

Policy Supplemental to all Existing Policies

This Policy is supplemental to all existing policies of the Issuer.

By: _____

Dated: _____

37. CONSIDERATION OF A RESOLUTION REFINANCING ALL OR A PORTION THE CITY'S 2007 GENERAL OBLIGATION PARKS AND RECREATION BONDS AND SERIES 2013 CERTIFICATES OF PARTICIPATION (CITY HALL PROJECT).

Alderman Little offered a motion authorizing and directing the issuance of General Obligation Refunding Bonds, Series 2018, of the City of Starkville, Mississippi, In the maximum aggregate principal amount of nine million dollars (\$9,000,000) to raise money for the purpose of refunding all or a portion of said municipality's \$5,375,000 General Obligation Parks and Recreation Bonds, Series 2007, and said municipality's \$6,750,000 Certificates Of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013; and paying the related costs of the issuance, sale, and delivery of said refunding bonds and of the redemption of said General Obligation Parks and Recreation Bonds, Series 2007, and said municipality's Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013; Prescribing the form and incidents of said refunding bonds; providing for the levy of a sufficient amount of taxes for the payment of said refunding bonds; making provision for maintaining the tax exempt status of said refunding bonds; approving and authorizing execution of a bond purchase agreement with respect to said refunding bonds; approving and authorizing execution of an escrow agreement with respect to said refunding bonds; approving and authorizing the distribution of a preliminary official statement with respect to said refunding bonds; authorizing the execution and distribution of an official statement pertaining to the sale of the General Obligation Refunding Bonds, Series 2018, of said municipality; authorizing the execution of a continuing disclosure certificate pertaining to said refunding bonds; acknowledging and authorizing the execution of post issuance compliance procedures pertaining to said refunding bonds; and for related purposes.

Alderman Sistrunk seconded the motion and the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF NINE MILLION DOLLARS (\$9,000,000) TO RAISE MONEY FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF SAID MUNICIPALITY'S \$5,375,000 GENERAL OBLIGATION PARKS AND RECREATION BONDS, SERIES 2007, AND SAID MUNICIPALITY'S \$6,750,000 CERTIFICATES OF PARTICIPATION (CITY OF STARKVILLE, MISSISSIPPI PUBLIC BUILDINGS PROJECT), SERIES 2013; AND PAYING THE RELATED COSTS OF THE ISSUANCE, SALE, AND DELIVERY OF SAID REFUNDING BONDS AND OF THE REDEMPTION OF SAID GENERAL OBLIGATION PARKS AND RECREATION BONDS, SERIES 2007, AND SAID MUNICIPALITY'S CERTIFICATES OF PARTICIPATION (CITY OF STARKVILLE, MISSISSIPPI PUBLIC BUILDINGS PROJECT), SERIES 2013; PRESCRIBING THE FORM AND INCIDENTS OF SAID REFUNDING BONDS; PROVIDING FOR THE LEVY OF A SUFFICIENT AMOUNT OF TAXES FOR THE PAYMENT OF SAID REFUNDING BONDS; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF SAID REFUNDING BONDS; APPROVING AND AUTHORIZING EXECUTION OF A BOND PURCHASE AGREEMENT WITH RESPECT TO SAID REFUNDING BONDS; APPROVING AND AUTHORIZING EXECUTION OF AN ESCROW AGREEMENT WITH RESPECT TO SAID REFUNDING BONDS; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT WITH RESPECT TO SAID REFUNDING BONDS; AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE SALE OF THE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018, OF SAID MUNICIPALITY; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE CERTIFICATE PERTAINING TO SAID REFUNDING BONDS; ACKNOWLEDGING AND AUTHORIZING THE EXECUTION OF POST ISSUANCE COMPLIANCE PROCEDURES PERTAINING TO SAID REFUNDING BONDS; AND FOR RELATED PURPOSES.

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

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

"Act" shall mean Sections 31-27-1 *et seq.*, Mississippi Code of 1972, as amended.

"Bond" or "Bonds" shall mean the Nine Million Dollars (\$9,000,000) maximum principal amount General Obligation Refunding Bonds, Series 2018, of the Municipality authorized and directed to be issued in this Bond Resolution for the Refunding.

"Bond Counsel" shall mean Jones Walker LLP, Jackson, Mississippi, or any other nationally recognized attorneys on the subject of municipal bonds.

"Bond Fund" shall mean the Bond Fund of the Municipality provided for in Section 15 hereof.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to this Bond Resolution.

"Bond Purchase Agreement" shall mean the bond purchase agreement or agreements over one or more years to be entered into between the Municipality and the Underwriter for the purchase and sale of the Bonds, in substantially the form attached hereto as **Attachment A**.

"Bond Resolution" shall mean this resolution authorizing and directing the issuance of the Bonds, as the same from time to time may be amended.

"Business Day" shall mean a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

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

"Closing Date" with respect to the Bonds shall mean the date of issuance and delivery of the Bonds to the Underwriter.

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate or Certificates to be executed by the Municipality and dated the date of issuance and delivery of any of the Bonds, as originally executed and as same may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance Fund" shall mean the Costs of Issuance Fund provided for in Section 17 hereof.

"Counsel to the Municipality" means Christopher J. Latimer, Mitchell, McNutt & Sams, P.A.

"Corporation" means the Golden Triangle Planning and Development District, Inc., a Mississippi non-profit corporation, or the Golden Triangle Public Buildings Leasing Corporation, a Mississippi non-profit corporation.

"County" shall mean Oktibbeha County, Mississippi.

"Deemed Designated Portion" shall mean the principal amount of the Bonds that does not exceed the principal amount of the Series 2007 Refunded Bonds and the Series 2013 Refunded Certificates.

"Designated Portion" shall mean the principal amount of the Bonds in excess of the principal amount of the Deemed Designated Portion.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Escrow Agent" shall mean First National Bank of Clarksdale, Clarksdale, Mississippi, in its capacity as escrow agent under the Escrow Agreement, and any successor or assign in such capacity.

"Escrow Agreement" shall mean the agreement to be entered into by and between the Municipality and the Escrow Agent, providing for the escrow and investment of a portion of the proceeds of the Bonds to effect the refunding of the Series 2013 Refunded Certificates.

"Escrow Fund" shall mean the fund established pursuant to the Escrow Agreement to pay the principal of, redemption premiums (if any), and interest on the Series 2013 Refunded Certificates.

"Event of Default" shall mean an event of default as described in Section 21 of this Bond Resolution.

"Fiscal Year" shall mean the period beginning on October 1st of one year and ending on September 30th of the following year.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Governmental Obligations" shall mean the direct general obligations of the United States, or obligations the principal of and interest on which is guaranteed by the United States, and without limitation, shall include any money market type investment invested only in such obligations or one hundred percent (100%) secured by such obligations, including "SLGS," which shall mean special United States Department of the Treasury securities sold to states, municipalities and other local government bodies, for which the interest rates and maturities can be subscribed for by an issuer of municipal securities in such a manner as to comply with arbitrage restrictions imposed under the Code.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Option to Purchase" shall mean the right of the Municipality to purchase the Corporation's interest in the Series 2013 Project for a stated price as provided in the Series 2013 Lease.

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

"Payment Dates" shall mean any dates on which interest or principal and interest on any of the Bonds is payable pursuant to the Bond Purchase Agreement.

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

"Procedures" shall mean the Post Issuance Compliance Procedures in substantially the form attached hereto as **Attachment C**.

"Record Date" shall mean, as to interest payments on any Bonds, the fifteenth (15th) day of the month preceding the dates set for payment of interest on such Bonds and, as to payments of principal on any Bonds, the fifteenth (15th) day of the month preceding the date on which such principal shall be due and payable, whether at maturity or upon the redemption date applicable to such Bonds.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Refunded Bonds" shall mean, together, the Series 2007 Refunded Bonds and the Series 2013 Refunded Certificates.

"Refunding" shall mean providing for the payment of the outstanding principal amount of the Refunded Bonds, redemption premiums, if any, and interest accrued or to accrue to the date of redemption of the Refunded Bonds, and the related costs of the issuance, sale and delivery of the Bonds and of the refunding of the Refunded Bonds.

"Registered Owner" shall mean the Person whose name shall appear in the registration books of the Municipality maintained by the Paying Agent with respect to any of the Bonds.

"Representation Letter" shall mean the blanket representation letter to DTC pertaining to book-entry obligations of the Municipality.

"Responsible Party" shall mean the party specified in each section of the Procedures as being responsible for compliance.

"Series 2007 Bonds" shall mean the General Obligation Parks and Recreation Bonds, Series 2007, of the Municipality in the original principal amount of Five Million Three Hundred Seventy-Five Thousand Dollars (\$5,375,000), dated March 1, 2007, and issued March 20, 2007.

"Series 2007 Bond Resolution" shall mean the resolution authorizing and directing the issuance of the Series 2007 Bonds, adopted February 6, 2007, by the Governing Body.

"Series 2007 Paying Agent" means the First National Bank of Clarksdale, Clarksdale, Mississippi.

"Series 2007 Refunded Bonds" shall mean all or any portion of the outstanding Series 2007 Bonds maturing after March 1, 2017, which are to be refunded with all or a portion of the proceeds of the Bonds, as specified in the Bond Purchase Agreement.

“Series 2013 Certificates” shall mean the Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000), dated and issued June 13, 2013, evidencing proportionate interests in a lease, including the right to receive base rental payments thereunder, to be made by the Municipality, pursuant to Section 31-8-1 *et seq.* Mississippi Code of 1972, as amended, the Series 2013 Lease, and the Series 2013 Trust Agreement.

“Series 2013 Certificates Resolution” shall mean the resolution authorizing and directing the issuance of the Series 2013 Certificates, adopted June 5, 2012, by the Governing Body.

"Series 2013 Lease" shall mean the Lease and Option to Purchase, dated as of April 1, 2013, between the Corporation as lessor and the Municipality as lessee, pursuant to which the Municipality leases the 2013 Project from the Corporation.

"Series 2013 Project" shall mean the "Project" as such term is defined in the 2013 Trust Agreement.

“Series 2013 Refunded Certificates” shall mean all or any portion of the outstanding Series 2013 Certificates Bonds maturing after June 1, 2018, which are to be refunded with all or a portion of the proceeds of the Bonds, as specified in the Bond Purchase Agreement.

“Series 2013 Trustee” means First National Bank of Clarksdale, Clarksdale, Mississippi, its capacity pursuant to the 2013 Trust Agreement.

"Series 2013 Trust Agreement" shall mean the Trust Indenture dated as of April 1, 2013, between the Municipality and the Trustee, providing for the execution and delivery of the Series 2013 Certificates and providing the terms of the Series 2013 Certificates.

"Subsection 148(f)" shall mean Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" shall mean any regulations promulgated from time to time pursuant to Subsection 148(f).

"Underwriter" shall mean Stephens Inc., Little Rock, Arkansas.

(b) Number and Gender: Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms. Captions in this Bond Resolution are for convenience only and in no way define, limit or describe the scope or intent of any provisions of this Bond Resolution.

2. The Municipality is authorized under the provisions Section 31-8-1 *et seq.* Mississippi Code of 1972, as amended, the Series 2013 Lease, the Series 2013 Trust Agreement, and the Act to exercise its Option to Purchase and/or to issue its Bonds for the Refunding. It is advisable and in the public interest to issue the Bonds for the purposes stated herein.

3. The estimated cost of the Refunding is not in excess of Nine Million Dollars (\$9,000,000), and the actual cost of the Refunding shall not exceed the portion of the proceeds of the Bonds to be used for the Refunding, plus other moneys of the Municipality to be used for the Refunding.

4. The Refunding shall result in an overall net present value savings to maturity of not less than two percent (2%) of the Refunded Bonds.

5. Pursuant to the Act, the Municipality is authorized to sell the Bonds directly to a purchaser or purchasers in a private sale pursuant to the Bond Purchase Agreement and/or in an underwritten offering pursuant to the Bond Purchase Agreement. Pursuant to the Act, the Municipality has negotiated privately for the sale of the Bonds, such sale to be consummated pursuant to the Bond Purchase Agreement, and it is necessary and appropriate for the Municipality to approve the Bond Purchase Agreement, in substantially the form attached hereto as **Attachment A**, and to authorize the Mayor to execute the Bond Purchase Agreement on behalf of the Municipality provided that: (a) the Bonds shall be sold at a price which results in net present value debt service savings to the Municipality of not less than two percent (2%) of the par amount of the Refunded Bonds; (b) the aggregate principal amount of the Bonds shall not exceed Nine Million Dollars (\$9,000,000); (c) no interest rate shall exceed eleven percent (11%); and (d) the Bond Purchase Agreement shall be executed within three hundred sixty-five (365) days of the date of adoption of this Bond Resolution. Notwithstanding anything in this Bond Resolution, the Governing Body desires to maintain the option of either a private or public sale, depending on what is advisable at the given time.

6. A portion of the proceeds of the Bonds, if necessary, may be invested until needed to pay principal of, premium (if any), and interest on the 2013 Refunded Certificates pursuant to the Escrow Agreement. It is necessary and appropriate for the Governing Body to approve the Escrow Agreement, in substantially the form attached hereto as **Attachment D**, and to authorize the Mayor and/or Clerk to execute the Escrow Agreement on behalf of the Municipality.

7. The Municipality plans to refund the Refunded Bonds with a portion of the proceeds of the Bonds and other moneys available to the Municipality (if needed).

8. The assessed value of all property within the Municipality, according to the last completed assessment for taxation, is Two Hundred Forty-Two Million Four Hundred Seventy-Five Thousand Six Hundred Twenty-Two Dollars (\$242,475,622); the Municipality has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by the Municipal Improvements Act, in the amount of Nineteen Million Three Hundred Ninety-Five Thousand Dollars (\$19,395,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by the Municipal Improvements Act (which amount includes the sum set forth above subject to the fifteen percent (15%) debt limit), in the amount of Twenty-Three Million Two Hundred Forty-Six Thousand Six Hundred Sixty-Seven Dollars (\$23,246,667); the issuance of the Qualified Obligation, when added to the outstanding bonded indebtedness of the Municipality, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the Municipality, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the

aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the Municipality and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the Municipality.

9. The Governing Body is now fully authorized pursuant to the Act to issue the Bonds in the amount and for the purposes hereinafter set forth and is authorized to issue such Bonds registered as to principal and interest in the form and manner hereinafter provided for by Chapter 21 of Title 31, Mississippi Code of 1972, as amended.

10. The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance, and provides that the tax-exempt status of interest on obligations such as the Bonds is contingent on a number of future actions by the Municipality. It is necessary to make certain covenants pertaining to the exclusion of the interest on the Bonds from gross income for federal income tax purposes since such exclusion may depend, in part, upon continuing compliance by the Municipality with certain requirements of the Code.

11. The Municipality hereby represents that not less than 85% of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds, and that no more than 50% of the proceeds of the Bonds have been or will be invested in non-purpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more. The Municipality reasonably expects that not less than 85% of the spendable proceeds of the Bonds will be used to carry out the governmental purposes of the Bonds within a three-year period beginning on the date of issuance of the Bonds.

12. The Bonds are not private activity bonds as such term is defined in Section 141 of the Code and the Governing Body does not reasonably anticipate that the Municipality or any other subordinate entities thereof will issue more than Ten Million Dollars (\$10,000,000) of tax-exempt obligations (other than deemed designated bonds and private activity bonds which are not qualified 501(c)(3) bonds) in this calendar year. It is necessary to designate the Designated Portion of the Bonds as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

13. Pursuant to the resolution adopted February 6, 2007, the Municipality designated the Series 2007 Bonds as a qualified tax-exempt obligations for the 2007 calendar year for purposes of Section 265(b)(3) of the Code. The average maturity of that portion of the Bonds issued to refund the Series 2007 Refunded Bonds shall be equal to or less than the average maturity of the Series 2007 Refunded Bonds, determined in accordance with Section 147(b)(2)(A) of the Code.

14. Pursuant to the resolution adopted June 5, 2012, the Municipality designated the Series 2013 Certificates as a qualified tax-exempt obligation for the 2013 calendar year for purposes of Section 265(b)(3) of the Code. The average maturity of that portion of the Bonds issued to refund the Series 2013 Refunded Certificates shall be equal to or less than the average maturity of the Series 2013 Refunded Certificates, determined in accordance with Section 147(b)(2)(A) of the Code.

15. The Deemed Designated Portion of the Bonds does not exceed the principal amount of the Series 2007 Refunded Bonds and the Series 2013 Refunded Certificates.

16. It has now become necessary to make provision for the preparation, execution and issuance of the Bonds, to make provision for the call and redemption of the Refunded Bonds on such date or dates as are specified in the Bond Purchase Agreement.

17. The Municipality desires to go forward with preparation for the issuance of the Bonds and in connection therewith, desires to approve the engagement of certain professionals to assist with the issuance of the Bonds.

18. The Preliminary Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body of the Municipality, and copies thereof distributed to prospective purchasers of the Bonds, in substantially the form attached hereto as **Attachment B**. Notwithstanding anything else in this Bond Resolution, the Governing Body desires to maintain the option of a private sale of the Bonds and approves the use of the Preliminary Official Statement as a private offering statement as necessary.

19. The Official Statement pertaining to the sale of the Bonds should be approved by the Governing Body and it is necessary and appropriate for the Governing Body to authorize the execution thereof.

20. It is necessary and appropriate for this Governing Body to approve the Continuing Disclosure Certificate in substantially the form attached to the Preliminary Official Statement and to authorize the execution thereof.

21. The Governing Body desires to approve and adopt the Post Issuance Compliance Procedures, in substantially the form attached hereto as **Attachment C**.

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

SECTION 1. Bond Resolution as Contract. In consideration of the purchase and acceptance of any and all of the Bonds by the Registered Owners thereof, this Bond Resolution shall constitute a contract between the Municipality and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the Municipality shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank, without preference, priority or distinction.

SECTION 2. Engagement of Professionals. The Municipality desires to go forward with preparation for the issuance of the Bonds and in connection therewith, desires to approve and/or affirm the engagement of the following professionals: Jones Walker LLP Jackson, Mississippi, as Bond Counsel; Christopher J. Latimer, Mitchell, McNutt & Sams, P.A., to serve as the Counsel to the Municipality; and, Stephens Inc., Little Rock, Arkansas, to serve as the Underwriter for the Bonds. The Mayor and/or the Clerk are hereby authorized to execute the appropriate letters of engagement and disclosure with said professionals.

SECTION 3. Authorization, Amount and Purpose. The Bonds are hereby authorized and directed to be issued in the maximum principal amount of Nine Million Dollars (\$9,000,000) to raise money for the Refunding as authorized by the Act.

SECTION 4. Payments. Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America. Interest shall be paid on the principal amount of each Bond from the date of such Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth therein.

SECTION 5. Bond Details. The actual amount of the Bonds to be issued pursuant to this Bond Resolution shall be specified in the Bond Purchase Agreement, not to exceed the maximum aggregate principal amount authorized for the Bonds in this Bond Resolution. The Bonds shall be sold to the Underwriter in accordance with the requirements of Section 18 hereof. The Bonds shall be issued as fully registered bonds; shall be dated such date as is subsequently set out in the Bond Purchase Agreement; shall be in the denomination of \$5,000 each or any integral multiples thereof up to the amount of a single maturity; shall be numbered consecutively in numerical order from 1 upward; shall bear interest from the date thereof at the rates set out in the Bond Purchase Agreement authorized herein, payable semiannually on such dates in each year as are specified in the Bond Purchase Agreement, commencing on a date to be specified in the Bond Purchase Agreement; and shall mature, and become due and payable, subject to prior redemption as hereinafter provided, on the dates and in the years and principal amounts set out in the Bond Purchase Agreement.

SECTION 6. Redemption.

(a) Optional Redemption. The Bonds may be subject to optional redemption if so provided in the Bond Purchase Agreement at the price or prices and on the dates specified in the Bond Purchase Agreement. Such Bonds may be subject to redemption prior to their respective maturities at the option of the Municipality if so provided in the Bond Purchase Agreement either in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption

(b) Mandatory Sinking Fund Redemption for the Bonds. The Bonds may be subject to a mandatory sinking fund redemption by lot prior to their scheduled maturity on the dates and in the years and in the principal amounts set out in the Bond Purchase Agreement. If any Bonds are term bonds subject to mandatory sinking fund redemption, the redemption price will be one hundred percent (100%) of the principal amount redeemed plus accrued interest to the redemption date from amounts on deposit in the Bond Fund.

(c) Notice of Redemption. Notice of each such redemption shall be given not less than thirty (30) days and not more than sixty (60) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall

be selected by the Paying Agent by lot or random selection in such manner as the Paying Agent shall deem fair and appropriate. The Municipality may provide for the selection of portions of the principal of Bonds, and for all purposes of this Bond Resolution, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed.

SECTION 7. Bonds Registered as Obligations.

(a) Registration and Validation Certificate. When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the Municipality in the office of the Clerk in a book maintained for that purpose, and the Clerk shall cause to be imprinted upon or accompany the Bonds, over her manual or facsimile signature and the seal of the Municipality (or a facsimile thereof), her certificate in substantially the form set out in Section 9 hereof.

(b) Execution. The Bonds shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the Clerk, with the seal of the Municipality imprinted or affixed thereto; provided, however, all signatures and seals appearing on the Bonds, other than the signature of an authorized signatory of the Paying Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the Municipality whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such official before the delivery or reissuance thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official had remained in office until delivery or reissuance.

(c) Delivery; Bond Transcript; Legal Opinion. The Bonds shall be delivered to the Underwriter upon payment of the purchase price therefor in accordance with the terms and conditions of the Bond Purchase Agreement, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the Bonds, and the final, unqualified approving opinion of Bond Counsel, which opinion shall be printed on or accompany each of the Bonds.

(d) Items Filed With Paying Agent. Prior to or simultaneously with the delivery by the Paying Agent of the Bonds, the Municipality shall file with the Paying Agent:

(i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and

(ii) an authorization to the Paying Agent, signed by the Clerk, to authenticate and deliver the Bonds to the Underwriter.

(e) Authentication. The Paying Agent acting through its officers, employees or agents, shall authenticate the Bonds upon receipt of the items listed above in paragraph (iv) of this Section and deliver them to the Underwriter thereof upon payment of the purchase price of the Bonds to the Municipality.

(f) Bond Certificates. Bond certificates, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the Municipality to meet the reasonable transfer and reissuance needs of the Bonds, may be printed and delivered to the Paying Agent in generally accepted form, and held by the Paying Agent until needed for transfer or reissuance, whereupon the Paying Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Paying Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional certificates bearing the manual or facsimile seal of the Municipality and manual or facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 8. Paying Agent.

(a) Designation of Paying Agent. The Paying Agent for the Bonds, which shall serve as paying agent, registrar and transfer agent, shall be such bank as is designated in the Bond Purchase Agreement.

(b) Paying Agent as Registrar and Transfer Agent. So long as any of the Bonds shall remain outstanding, the Municipality shall maintain with the Paying Agent records for the registration and transfer of the Bonds. The Paying Agent is hereby appointed registrar for the Bonds, in which capacity the Paying Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, any Bond entitled to registration or transfer.

(c) Fees and Expenses of Paying Agent. The Municipality shall pay or reimburse the Paying Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the Municipality and the Paying Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Paying Agent, shall be made by the Municipality on a case-by-case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) Change of Paying Agent. (i) A Paying Agent may at any time resign and be discharged of its duties and obligations as Paying Agent by giving at least sixty (60) days' written notice to the Municipality, and may be removed as Paying Agent at any time by resolution of the Governing Body delivered to the Paying Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Paying Agent, and shall be transmitted to the Paying Agent being removed within a reasonable time prior to the effective date thereof; provided, however, that no resignation or removal of a Paying Agent shall become effective until a successor Paying Agent has been appointed pursuant to this Bond Resolution.

(ii) Upon receiving notice of the resignation of a Paying Agent, the Municipality shall promptly appoint a successor Paying Agent by resolution of the Governing Body. Any appointment of a successor Paying Agent shall become effective, upon the effective

date of the resignation or removal of the predecessor Paying Agent, upon acceptance of appointment by the successor Paying Agent. If no successor Paying Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Paying Agent may petition any court of competent jurisdiction for the appointment of a successor Paying Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Paying Agent.

(iii) In the event of a change of Paying Agents, the predecessor Paying Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Paying Agent, and the successor Paying Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Paying Agent shall be fully paid. Every predecessor Paying Agent shall deliver to its successor Paying Agent all records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Paying Agent.

(iv) Any successor Paying Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having a combined capital and surplus of at least Twenty-Five Million Dollars (\$25,000,000), having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

(v) Every successor Paying Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Paying Agent and to the Municipality an instrument in writing accepting such appointment hereunder, and thereupon such successor Paying Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

(vi) Should any transfer, assignment or instrument in writing be required by any successor Paying Agent from the Municipality to more fully and certainly vest in such successor Paying Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Paying Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the Municipality.

(vii) The Municipality will provide any successor Paying Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bonds.

(viii) All duties and obligations imposed hereby on a Paying Agent or successor Paying Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Bond Resolution.

(e) Successor Corporation or Association as Paying Agent. Any corporation or association into which a Paying Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation

or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the Municipality or the successor Paying Agent, anything herein to the contrary notwithstanding, provided only that such successor Paying Agent shall be satisfactory to the Municipality and eligible under the provisions of Section 8 hereof.

SECTION 9. Bond Form. The Bonds shall be in substantially the following form, with such appropriate variations, omissions, and insertions as are permitted or required by this Bond Resolution or as shall be approved by the officers of the Municipality executing the Bonds, with their execution of such Bonds to be conclusive evidence of such approval:

BOND FORM

**UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
CITY OF STARKVILLE, MISSISSIPPI
GENERAL OBLIGATION REFUNDING BOND, SERIES 2018**

NO. _____ \$ _____

<u>Rate of Interest</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____ %	_____, ____	_____1, ____	

Registered Owner:

Principal Amount: _____ DOLLARS

The City of Starkville, in the State of Mississippi (the "Municipality"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, to the Registered Owner identified above, upon the presentation and surrender of this bond at the principal corporate trust office of _____, _____, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Refunding Bonds, Series 2018, of the Municipality (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this bond shall be made to the Registered Owner hereof whose name shall appear in the registration books of the Municipality maintained by the Paying Agent, which will also serve as registrar and transfer agent for the Bonds, as of the fifteenth (15th) day of the calendar month preceding the maturity date hereof.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 31-27-1 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and by the further authority of proceedings duly had by the Mayor and Board of

Aldermen (the "Governing Body") of the Municipality, including the resolution authorizing and directing the issuance of the Bonds, adopted _____, 20__ (the "Bond Resolution").

All capitalized terms not otherwise defined herein shall have the meaning set forth in the Bond Resolution.

The Municipality further promises to pay interest on such principal amount from the date of this bond (or, if this bond shall have been issued as a result of a transfer or exchange of another bond, from the most recent interest payment date to which interest on such transferred or exchanged bonds shall have been paid) at the rate of interest per annum set forth above, payable on _____, 20__, and semiannually thereafter on _____ and _____ of each year, until said principal sum is paid, to the Registered Owner hereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent as of the fifteenth (15th) day of the calendar month preceding the applicable interest payment date.

Payments of principal of and interest on this bond shall be made by check or draft mailed on the date on which such principal and interest shall be due and payable (or, with respect to principal, such later date on which this bond shall be presented and surrendered for payment as provided herein) to such Registered Owner at his address as it appears on such registration books. The Registered Owner hereof may change such address by written notice to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the fifteenth (15th) day of the calendar month preceding the applicable principal or interest payment date.

[The Bonds maturing on _____ 1, 20__, are term bonds subject to mandatory sinking fund redemption by lot prior to their scheduled maturity on _____ of the years listed below at a redemption price of one hundred percent (100%) of the principal amount redeemed plus accrued interest to the redemption date in accordance with the following schedule:

YEAR

PRINCIPAL AMOUNT

*Final Maturity]

[The Bonds maturing after _____ 1, 20_____, are subject to redemption prior to their respective maturities at the option of the Municipality on and after _____ 1, 20_____, in whole or in part on any date, and by lot within each maturity, with the maturities and principal amounts thereof to be determined by the Municipality, at the principal amount thereof together with accrued interest to the date fixed for redemption. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as it shall deem fair and appropriate. The Municipality may provide for the selection of portions of the principal of Bonds, and for all purposes of this Bond and the Bond Resolution (as hereinafter defined), all provisions relating to the redemption of Bonds shall relate, in the case of any Bond

{JX308030.4}

redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed. Notice of each such redemption shall be mailed, postage prepaid, not less than thirty (30) days and not more than sixty (60) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed.]

This Bond is one of a series of bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued by the Municipality in the aggregate authorized principal amount of _____ Dollars (\$ _____) to raise money for the purpose of the refunding all or a portion of the Municipality's (a) Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000), dated and issued June 13, 2013, evidencing proportionate interests in a lease, including the right to receive base rental payments thereunder, to be made by the Municipality, pursuant to Section 31-8-1 *et seq.* Mississippi Code of 1972, as amended, the Series 2013 Lease, and the Series 2013 Trust Agreement, and (b) General Obligation Parks and Recreation Bonds, Series 2007, of the Municipality in the original principal amount of Five Million Three Hundred Seventy-Five Thousand Dollars (\$5,375,000), dated March 1, 2007, and issued March 20, 2007, and (c) paying the related costs of the issuance, sale and delivery of the Bonds and of the redemption, in whole or in part, of said obligations.

The Bonds are registered as to both principal and interest, and are to be issued or reissued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity.

This Bond may be transferred by the Registered Owner hereof in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Paying Agent, but only in the manner and subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new bond or bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The Municipality and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and neither the Municipality nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds shall be general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually, to the extent necessary, without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality. To the extent necessary, a special tax upon all taxable property within the geographical limits of the Municipality shall be levied annually as required by law, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same comes due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and

authentication hereon shall have been signed by the Paying Agent, acting through its officers, employees or agents.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds, in order to make the same legal and binding general obligations of the Municipality, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the Municipality are hereby irrevocably pledged.

IN WITNESS WHEREOF, the Municipality has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor of the Municipality, countersigned by the manual or facsimile signature of the City Clerk of the Municipality, under the facsimile seal of the Municipality, which said facsimile signatures said officials adopt as and for their own proper signatures, all as of the ____ day of _____, 20__.

CITY OF STARKVILLE, MISSISSIPPI

Mayor

COUNTERSIGNED:

City Clerk

(seal)

There shall be printed on or accompany the Bonds a registration and authentication certificate in substantially the following form:

CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Refunding Bonds, Series 2018, of the City of Starkville, Mississippi.

_____, Mississippi,
as Paying Agent

Authorized Signature

Date of Registration and Authentication: _____

There shall be printed on or accompany the Bonds a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI
OKTIBBEHA COUNTY

I, the undersigned City Clerk of the City of Starkville, Mississippi, do hereby certify that the within bond has been duly registered by me as an obligation of said Municipality pursuant to law in a book kept in my office for that purpose, and has been validated and confirmed by Validation Judgment of the Chancery Court of Oktibbeha County, Mississippi, rendered on the ____ day of _____, 20__.

(seal)

City Clerk

ASSIGNMENT

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

as Paying Agent to transfer the said bond on the records kept for registration thereof with full power of substitution in the premises.

Signature guaranteed:

(Bank, Trust Company or Paying Agent)

(Authorized Signatory)

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

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

Date of Assignment: _____

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

[END OF BOND FORM]

SECTION 10. Replacement of Bond Certificates. In case any Bond shall become mutilated or be stolen, destroyed or lost, the Municipality shall, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the Municipality in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the Municipality or the Paying Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the Municipality or the Paying Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks incurred in connection with issuing a new Bond in replacement or substitution thereof, however remote.

SECTION 11. Security for Payment. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue to the extent other moneys are not available (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment), there shall be and is hereby levied, to the extent necessary, a direct, continuing special tax upon all of the taxable property within the geographical limits of the Municipality, which tax, together with any other moneys available for such purpose, shall be adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, and taking into account any other moneys available for such purposes, to produce sums required for the payment of the principal of and the interest on the Bonds (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment). Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes for the Municipality are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this Section, such failure shall not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

SECTION 12. Certificate of Registration and Authentication. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the appropriate Paying Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Paying Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized signatory of the Paying Agent, but it shall not be necessary that the same signatory sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 13. Registration. (a) Initial Registration, Bonds. In the event the Underwriter shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of execution of the Bond Purchase Agreement, or at such other later date as may be designated by the Municipality, one Bond registered in the name of the Underwriter may be issued in the full amount of each maturity of the Bonds. Ownership of the Bonds shall be in the Underwriter until the initial Registered Owner has made timely payment and, upon request of the Underwriter within a reasonable time of the initial delivery of the Bonds, the Paying Agent shall re-register any such Bond upon its books in the name of the Registered Owner to be designated by the Underwriter in the event timely payment has not been made by the initial Registered Owner.

(b) Registered Owner as Owner. Except as hereinabove provided, the Person in whose name any Bond shall be registered in the records of the Municipality maintained by the Paying Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on any Bond shall be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 14. Transfers. (a) Method. Each Bond shall be transferable only in the records of the Municipality upon surrender thereof at the office of the Paying Agent, together with a written instrument of transfer satisfactory to the Paying Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the Municipality, acting through its Paying Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

(b) Paying Agent to Transfer in Accordance with Bond Resolution. In all cases in which the privilege of transferring Bonds is exercised, the Paying Agent, acting through its officers, employees or agents, shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

(c) Expenses of Transfer. The Municipality or the Paying Agent may require payment by the Registered Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of Bonds. All other expenses incurred by the Municipality or the Paying Agent in connection with any transfer of Bonds shall be paid by the Municipality.

SECTION 15. Bond Fund. (a) Establishment. The Municipality shall maintain with a qualified depository thereof a Bond Fund in the name of the Municipality for the payment of the principal of and interest on the Bonds (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment), and the payment of Paying Agents' fees in connection therewith. There shall be deposited into the Bond Fund as and when received:

- (i) the accrued interest, if any, received upon delivery of the Bonds;

(ii) the avails of any of the ad valorem taxes levied and collected pursuant to Section 11 hereof;

(iii) any income received from investment of moneys in the Bond Fund; and

(iv) any other funds available to the Municipality which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the Bond Fund.

(b) Payments from Bond Fund. As long as any principal of and interest on the Bonds remains outstanding, the Municipality shall, and the Clerk is hereby irrevocable authorized and directed to, withdraw from the Bond Fund sufficient monies to make the payments herein provided for and transfer same to the account of the Paying Agent in time to reach said Paying Agent prior to the date on which said interest or principal and interest shall become due, and in accordance with any statutory requirements.

(c) Bond Fund Options. Notwithstanding anything herein to the contrary, the Municipality, at its option, may maintain one bond fund for all general obligation bonds of the Municipality, or as many as it shall deem to be appropriate. In such event, the Bond Fund shall be deemed to refer to such bond fund.

SECTION 16. Payments. (a) Payments of Principal. Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the appropriate Paying Agent, to the Record Date Registered Owner thereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent as of the Record Date.

(b) Payments of Interest. Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof. Interest shall be payable in the manner herein provided irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Method of Payment; Change of Address. Principal of and interest on the Bonds shall be paid by check or draft delivered directly to or mailed on the date on which principal and interest shall be due and payable (or, with respect to principal, such later date on which any Bond shall be presented and surrendered for payment as provided herein) to Registered Owners at the addresses appearing in the registration records of the Paying Agent. Any such address may be changed by written notice from the Registered Owner to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the fifteenth (15th) day of the calendar month preceding the applicable principal or interest payment date to be effective as of such date.

SECTION 17. Use of Proceeds. Upon initial delivery of the Bonds, the proceeds of the sale thereof shall be deposited as follows:

(a) Accrued Interest. The interest accrued on the Bonds from the dated date thereof to the date of delivery thereof, if any, shall be deposited into the Bond Fund.

(b) Refunding of Series 2007 Refunded Bonds. Such amount as shall be sufficient to accomplish the refunding of the Series 2007 Refunded Bonds shall be paid over to the Series 2007 Paying Agent and Escrow Agent (which for these purposes is one and the same) to provide for the payment, call, and redemption of the Series 2007 Refunded Bonds, in whole or in part, on or after March 1, 2017, as further specified in the Bond Purchase Agreement and/or the Escrow Agreement.

(c) Refunding of Series 2013 Refunded Certificates. Such amount as shall be sufficient to accomplish the refunding, in whole or in part, of the Series 2013 Refunded Certificates shall be paid over to the Series 2013 Trustee and Escrow Agent (which for these purposes is one and the same) and deposited into the Escrow Fund, hereby established, to provide for the payment, call, and redemption of the Series 2013 Refunded Certificates on June 1, 2018, or on any Interest Payment Date (as defined in the Series 2013 Trust Agreement) thereafter, at the redemption prices plus accrued interest to the date of redemption, as further specified in the Bond Purchase Agreement and/or the Escrow Agreement.

(d) The Municipality, subject to issuance of the Bonds for such purpose, shall call the Refunded Bonds for redemption on such date or dates as are specified in the Bond Purchase Agreement at such prices, plus premium or discount, if any, and plus accrued interest to the date of redemption, as further specified in the Bond Purchase Agreement and/or the Escrow Agreement. Upon issuance and delivery of the Bonds, notice of such redemption shall be given at the times and in the manner required by the Series 2007 Bond Resolution and the Series 2013 Certificates Resolution authorizing and directing the issuance of the Refunded Bonds.

(e) Costs of Issuance Fund. The balance of the proceeds of the sale of the Bonds shall be deposited into the Costs of Issuance Fund hereby established, and held and disbursed for the costs, fees, and expenses incurred by the Municipality in connection with the authorization, issuance, sale, validation, and delivery of the Bonds and the redemption of the Series 2007 Refunded Bonds and the Series 2013 Refunded Certificates. Any moneys remaining in the Costs of Issuance Fund after the purpose thereof has been satisfied shall be deposited into the Bond Fund, to the extent allowed by federal and state laws and regulations.

SECTION 18. Bond Purchase Agreement and Escrow Agreement. (a) The form of the Bond Purchase Agreement attached hereto as **Attachment A** is hereby approved, and the Mayor is authorized to execute and deliver the Bond Purchase Agreement for and on behalf of the Municipality, with such completions, changes, insertions and modifications as shall be approved by the Municipality and the Underwriter, the execution thereof by the Mayor to be conclusive evidence of such approval, provided that: (a) the Bonds shall be sold at a price which results in net present value debt service savings to the Municipality of not less than two percent (2%) of the par amount of the Refunded Bonds; (b) the aggregate principal amount of the Bonds shall not exceed Nine Million Dollars (\$9,000,000); (c) no interest rate shall exceed eleven percent (11%); and (d) the Bond Purchase Agreement shall be executed within three hundred sixty-five (365) days of the date of adoption of this Bond Resolution.

(b) The Escrow Agreement attached hereto as **Attachment D** is hereby approved, and the Mayor and/or Clerk are hereby authorized, if such officer(s) determines same to be necessary or appropriate, to execute and deliver Escrow Agreement for and on behalf of the Municipality,

in substantially the form attached hereto as **Attachment D**, with such completions, changes, modifications, and insertions as shall be approved by the officer(s) of the Municipality executing the Escrow Agreement, with the execution of the Escrow Agreement by such officer(s) to be conclusive evidence of such approval. The Escrow Agent is hereby authorized to invest moneys in the Escrow Fund in Governmental Obligations or other investments, if necessary and advisable, upon execution of the Escrow Agreement.

SECTION 20. Validation. The Bonds shall be submitted for validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, as amended, and to that end the Clerk is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bonds and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 21. Events of Default; Remedies. An "Event of Default" as used in this Bond Resolution shall mean any of the following: (1) failure to pay the principal of, premium, if any, or interest on any of the Bonds when such payments shall become due; (2) failure to comply with any other of the covenants of the Municipality set out in this Bond Resolution and the continuation thereof for thirty (30) days after written notice specifying such failure shall have been given to the Municipality by any Bondholder; or (3) filing by the Municipality of a petition under federal bankruptcy laws or a petition seeking composition of indebtedness under any other applicable federal or state laws. Notwithstanding the foregoing, the Municipality's noncompliance with its obligations under Sections 24 and 29 hereof and the Continuing Disclosure Certificate shall not constitute an Event of Default within the meaning of this Section.

The Holders of not less than twenty-five percent (25%) of the aggregate principal amount of the outstanding Bonds may, upon an Event of Default, by suit, action, mandamus or other proceedings at law or in equity enforce and compel performance by the appropriate official or officials of the Municipality of any or all of the acts or duties to be performed by the Municipality under the provisions of the Act and this Bond Resolution to the extent allowed by law. The Holders of not less than fifty-one percent (51%) in aggregate principal amount of the Bonds then outstanding may appoint a trustee for the Holders of all outstanding Bonds issued under this Bond Resolution with authority to represent such Bondholders in any legal proceedings for the enforcement and protection of the rights of such Bondholders under this Bond Resolution.

Nothing in this Bond Resolution contained shall, however, affect or impair the right of any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Municipality to pay the principal of and interest on each of the Bonds issued hereunder to the respective Bondholders thereof at the time and place and in the manner in said Bonds expressed.

SECTION 22. Preliminary Official Statement. The Governing Body hereby approves the Preliminary Official Statement pertaining to the sale of the Bonds, and the distribution of said Preliminary Official Statement is hereby authorized in substantially the form attached hereto, as **Attachment B**. The Governing Body hereby approves the use of the Preliminary Official Statement as a private offering statement as necessary and approves the distribution of the same.

SECTION 23. Official Statement. (a) The Governing Body hereby approves and adopts the Official Statement pertaining to the sale of the Bonds in substantially the form of the Preliminary Official Statement with such completions, changes, insertions, and modifications as shall be approved by the officers of the Municipality executing and delivering the same, the execution thereof by such officers to be conclusive evidence of such approval. The Governing Body hereby approves the execution by the Mayor and the City Clerk of the Official Statement for and on behalf of this Governing Body, and the distribution of such Official Statement pertaining to the sale of the Bonds is hereby approved.

SECTION 24. Continuing Disclosure Certificate. The Governing Body hereby approves and adopts the Continuing Disclosure Certificate attached to the Preliminary Official Statement, and approves and authorizes the execution of said Continuing Disclosure Certificate by the City Clerk of the Municipality for and on behalf of the Municipality in substantially the form attached to the Preliminary Official Statement, with such completions, changes, insertions, and modifications as shall be approved by the officer of the Municipality executing and delivering the same, the execution thereof to be conclusive evidence of such approval.

SECTION 25. Book-Entry Only System. Notwithstanding anything herein to the contrary, the Bonds shall be initially issued in the form of a separate, single and fully registered Bond for each of the maturities thereof. In such case, upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 26 hereof, all of the outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Municipal and the Paying Agent shall have no responsibility or obligation to any participant for whom DTC is a security depository nominee ("DTC participants") or to any Person on behalf of whom such a DTC participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Municipality and the Paying Agent shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any DTC participant or any other Person, other than a Registered Owner, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. Notwithstanding any other provision of this Bond Resolution to the contrary, the Municipal and the Paying Agent shall be entitled to treat and consider the Person in whose name each Bond is registered in the Bond Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent, shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Bond Register as provided in this Bond Resolution, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Municipality's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the

Bond Register, shall receive a Bond certificate evidencing the obligation of the Municipality to make payments of principal, premium, if any, and interest pursuant to this Bond Resolution. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Resolution with respect to interest checks or drafts being mailed to the Registered Owner at the close of business on the Record Date, the words — "Cede & Co." in this Bond Resolution shall refer to such new nominees of DTC.

SECTION 26. Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Municipality and the Paying Agent determine that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Municipality and the Paying Agent shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC participants of the appointment of such successor securities depository and transfer one or more separate Bond certificates to such successor securities depository or (b) notify DTC and DTC participants of the availability through DTC of Bond certificates and transfer one or more separate Bond certificates to DTC participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Bond Resolution.

SECTION 27. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any of the Bonds is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 28. Continuing Disclosure. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Bond Resolution, failure of the Municipality to comply with the Continuing Disclosure Certificate shall not be considered an Event of Default pursuant to Section 21 hereof; however, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Section.

SECTION 29. Non-Arbitrage Bond Covenants; Non-arbitrage and Federal Tax Certificate. (a) The Municipality covenants and certifies to and for the benefit of the owners of the Bonds that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Bonds, including amounts treated as proceeds, if any, which will cause the Bonds to be classified as arbitrage bonds within the meaning of Section 148 of the Code, and any regulations thereunder as such may be applicable to the Bonds, at the time of such action, investment or use.

(b) (i) The Governing Body has made findings indicating that no rebate relating to the Bonds will be required to be made under the Code. However, in the event it is subsequently determined for any reason that rebates should be made on the Bonds, then the Municipality shall take all actions necessary in order to comply with the requirements of paragraphs (2) and (3) of Subsection 148(f) in order that none of the Bonds shall be treated as arbitrage bonds pursuant to paragraph (1) of Subsection 148(f), including payment of all amounts, if any, required to be paid to the United States of America in accordance with and within the time limits prescribed in Subsection 148(f) and the Subsection 148(f) Regulations, the making of any and all calculations, computations and filings required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations, and the maintenance of all such records as may be required pursuant to Subsection 148(f) and the Subsection 148(f) Regulations.

(ii) In order to effectuate the foregoing covenants, the Municipality hereby covenants and certifies that: (A) prior to delivery of the Bonds, it shall have received written instructions from nationally recognized bond counsel with respect to specific actions which will, under Subsection 148(f) and such regulations as may have been promulgated prior to delivery of the Bonds, assure compliance with such covenants; and (B) the Municipality shall comply with such instructions until the Municipality shall have received from nationally recognized bond counsel written advice that continued compliance with such instructions is not necessary in order to avoid adversely affecting the tax-exempt status of the Bonds or alternative written instructions with respect to certain actions which will assure compliance with the covenants set forth above, in which event the Municipality shall thereafter comply with all such alternative instructions.

(c) The Municipality shall not intentionally use any portion of the proceeds (within the meaning of Subsection 148(a) of the Code and any regulations promulgated pursuant thereto) of the Bonds to acquire higher yielding investments (as defined in Subsection 148(a) of the Code and all regulations promulgated pursuant thereto) or to replace funds which were used directly or indirectly to acquire higher yielding investments, except to the extent specifically permitted pursuant to Section 148 of the Code and any regulations promulgated thereunder.

(d) The Municipality shall not purchase or acquire any investment property with proceeds (within the meaning of Section 148 of the Code) of the Bonds in a manner or for a price which would cause any of the Bonds to be or become arbitrage bonds, within the meaning of Section 148 of the Code and all regulations promulgated thereunder, including, without limitation, to the extent prescribed by applicable regulations, investments (regardless of yield) which do not comply with the provisions of any regulations intended to assure that obligations are acquired at their "market price" or "fair market value."

(e) The Mayor and/or Clerk are hereby authorized to execute a "non-arbitrage and federal tax certificate" in connection with the sale and delivery of the Bonds, setting forth the reasonable expectations of the Municipality with respect to the investment and use of proceeds of the Bonds, and also setting forth certain covenants, stipulations and certifications with respect to the investment and expenditures of the proceeds of the Bonds, and the Municipality shall comply with all certifications, stipulations and covenants set forth in such certificates. In addition, such officials are authorized to make such elections on behalf of the Municipality as are necessary or appropriate under the Code or the Subsection 148(f) Regulations.

SECTION 30. Private Activity Bond Covenants; Tax Covenants. (a) The Municipality shall take such actions as may be necessary in order to assure that the Bonds are not private activity bonds within the meaning of Section 141 of the Code.

(b) None of the Series 2007 Bonds or the Series 2013 Certificates were, are or will be, and none of the Bonds were, are or will be, private activity bonds as such term is defined in the Code.

(c) No more than 10% of the proceeds of the Series 2007 Bonds or the Series 2013 Certificates have been or will be, and no more than 10% of the proceeds of the Bonds will be, "used" (within the meaning of Section 141 of the Code), directly or indirectly, in a "trade or business" (within the meaning of Section 141 of the Code and including any activity carried on by any person other than a natural person) carried on by any person other than a "governmental unit" (within the meaning of Section 141 of the Code and specifically excluding the United States of America or any agency or instrumentality thereof).

(d) No more than 10% of the proceeds of the Series 2007 Bonds or the Series 2013 Certificates have been or will be "used," directly or indirectly, in a "trade or business" carried on by any person or entity other than a "governmental unit". No more than 10% of any property with respect to which all or any part of the proceeds of the Bonds will be "used", directly or indirectly, in a "trade or business" carried on by any person other than a "governmental unit".

(e) None of the proceeds of the Series 2007 Bonds or the Series 2013 Certificates have been or will be used for any "private business use" (within the meaning of Section 141 of the Code) which is not related to the "governmental use" (within the meaning of Section 141 of the Code) of such proceeds. None of the proceeds of the Bonds will be "used" for any "private business use" which is not related to the "governmental use" of such proceeds.

(f) The amount, if any, of the proceeds of the Series 2007 Bonds or the Series 2013 Certificates which have been or will be used with respect to any "private business use" which was or is related to a "governmental use" of such proceeds has not exceeded and will not exceed the amount of such proceeds used for the "governmental use" to which such "private business use" relates (or related). The amount, if any, of the proceeds of the Bonds used with respect to any "private business use" which is related to a "governmental use" of such proceeds of the Bonds will not exceed the amount of such proceeds used for the "governmental use" to which such "private business use" relates.

(g) None of the proceeds of the Series 2007 Bonds or the Series 2013 Certificates have been or will be, and none of the proceeds of the Bonds will be, used to make or finance loans for persons other than "governmental units."

(h) The payment of the principal of or the interest on the Series 2007 Bonds or the Series 2013 Certificates or the Bonds has not been and will not be (under the terms of the Bonds or any underlying arrangement) directly or indirectly "secured" (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a "private business use" or payments in respect to such property or to be derived from payments (whether or not to the Municipality) in respect of property or borrowed money used or to be used for a "private

business use". In no event will the payment of the principal of or the interest on more than 10% of the Bonds be (under the terms of the Bonds or any underlying arrangement) directly or indirectly secured (within the meaning of Section 141 of the Code) by any interest in property used or to be used in a "private business use" or payments in respect to such property or to be derived from payments (whether or not to the Municipality) in respect of property or borrowed money used or to be used for a "private business use". No party (other than a "governmental unit") which shall use all or any part of the property with respect to which all or any part of the proceeds of the Series 2007 Bonds or the Series 2013 Certificates have been or will be expended or with respect to which all or any part of the proceeds of the Bonds are or will be expended shall make any payments to the Municipality (other than normal and customary taxes due and payable to the Municipality and normal and customary user fees due and payable from use as members of the general public) which are in any way related to any property with respect to which the proceeds of the Series 2007 Bonds, the Series 2013 Certificates, or the proceeds of the Bonds have been or will be expended or in any other way related to the Bonds, or the Bonds, if the aggregate of all such payments from all such private parties shall in any year equal or exceed 10% of principal of or interest on the Bonds payable during such year, unless the Municipality shall have received an opinion of nationally recognized bond counsel to the effect that receipt of such payments will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes.

(i) The Municipality covenants and certifies that there are no other obligations heretofore issued or to be issued by or on behalf of any state, territory or possession of the United States of America, or political subdivision of any of the foregoing, or of the District of Columbia, by or for the benefit of the Municipality, which (1) were or are to be sold at substantially the same time as the Bonds, (2) were or are to be sold pursuant to the same plan of financing as the financing plan for the Bonds, and (3) are payable directly or indirectly by the Municipality or from the source from which the Bonds are payable. The Municipality covenants and certifies that there are no additional facts or circumstances which may further evidence that the Bonds are part of any other issue of obligations.

(j) No payment of principal of or interest on the Series 2007 Bonds or the Series 2013 Certificates has been or will be, and no payment of principal of or interest on the Bonds is or will be, guaranteed (in whole or in part, directly or indirectly) by the United States of America, or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States of America. None of the proceeds of the Series 2007 Bonds or the Series 2013 Certificates have been or will be, and none of the proceeds of the Bonds will be: (1) used to make loans, the payment of principal of or interest on which is or will be guaranteed (in whole or in part, directly or indirectly) by the United States of America or any agency or instrumentality thereof or any entity with statutory authority to borrow from the United States of America; or (2) invested (directly or indirectly) in any deposit or account which is insured under federal law by the Federal Deposit Insurance Corporation, the National Credit Union Administration or any similar federally chartered corporation other than: (A) the investment of the proceeds of the Series 2007 Bonds, the Series 2013 Certificates, and the Bonds for initial temporary periods (within the meaning of subparagraph 3(B) of Subsection 149(b) of the Code) until such proceeds were or are needed for these purposes for which the Series 2007 Bonds or the Series 2013 Certificates were issued and the purpose for which the Bonds are being issued; (B) investments of a bona fide debt service fund (within the meaning of subparagraph 3(B) of

Subsection 149(b) of the Code); (C) investments of a reserve which meets the requirements of Subsection 148(d) of the Code; (D) investments in bonds issued by the United States Treasury; or (E) other investments permitted under regulations promulgated by the Internal Revenue Service pursuant to Subsection 149(b) of the Code.

(k) The Municipality covenants and certifies that, notwithstanding any provision of this Bond Resolution or the rights of the Municipality hereunder, the Municipality will not take or permit to be taken on its behalf any action which would impair the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, and it will take such reasonable action as may be necessary to continue such exclusion, including, without limitation, the preparation and filing of any statements required to be filed by it in order to maintain such exclusion.

SECTION 31. When Computations, Deposits or Rebate Payments Are Not Required. In the event it is determined the Bonds do not meet the requirements of paragraph (4) of Subsection 148(f), but in the event the Municipality receives an opinion of nationally recognized bond counsel to the effect that any of the computations, deposits or payments referenced in Sections 31 and 32 herein are not required to be made in order to maintain the tax-exempt status of interest on the Bonds, the Municipality need not make such computations, deposits or payments.

SECTION 32. Covenant Regarding Hedge Bonds. The Municipality reasonably expects that not less than eighty-five percent (85%) of the spendable proceeds of the Bonds, will be used to carry out the governmental purposes of the Bonds, within a three-year period beginning on the date of issuance of the Bonds. No more than fifty percent (50%) of the proceeds of the Bonds will be invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more.

SECTION 33. Payments Due on Days Other Than Business Days. In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds, or the date on which any funds are required to be deposited into a fund pursuant hereto, shall be in the city in which the principal office of the Paying Agent is located a day other than a Business Day, then payment of interest or principal need not be made on such date but shall be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

SECTION 34. Post Issuance Compliance Procedures. The Municipality hereby approves and adopts the Post Issuance Compliance Procedures in substantially the form attached hereto, as **Attachment C**.

SECTION 40. Modification or Amendment. (a) No material modification or amendment of this Bond Resolution, or of any resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the Holders of two-thirds or more in principal amount of the Bonds then outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of the Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the Municipality to levy taxes in an amount sufficient to pay the interest and principal on the Bonds, as the same mature and become due, or reduce such

percentage of Holders of the Bonds required above for such modification or amendment without the consent of the Holders of all of the Bonds.

(b) The foregoing shall not be construed to prohibit supplemental amendments of this Bond Resolution without the consent of Bondholders for the following purposes:

(1) to add to the covenants and agreements of the Municipality herein contained other covenants and agreements thereafter to be observed and performed by the Municipality, provided that such other covenants and agreements shall not either expressly or implicitly limit or restrict any of the obligations of the Municipality contained in this Bond Resolution;

(2) to cure any ambiguity or to cure, correct or supplement any defective or inconsistent provision contained in this Bond Resolution or in any supplemental resolution or to make any provisions with respect to matters arising under this Bond Resolution or any supplemental resolution for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of this Bond Resolution or any supplemental resolution and do not adversely affect the interests of the Holders of the Bonds; or

(3) to subject to the pledge herein contained additional revenues or receipts.

(c) Notwithstanding any provision herein to the contrary, this Bond Resolution may be amended by resolution of the Municipality prior to the delivery of any of the Bonds with the consent of the Underwriter.

SECTION 41. Severability; Ministerial Changes. (a) If any section, paragraph, clause or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any other provision hereof.

(b) In the event the Bonds are delivered in a year other than is shown as the year identifying the series of the Bonds, then the year identifying the series of the Bonds shall be changed to the year of delivery thereof.

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

SECTION 43. BONDS DESIGNATED AS QUALIFIED TAX-EXEMPT OBLIGATIONS. (a) The Deemed Designated Portion of the Bonds shall be deemed designated as qualified tax-exempt obligations within the meaning of Section 265(b)(3)(D) of the Code and shall not be taken into account in determining whether the Municipality is a "qualified small issuer" for the 2018 calendar year within the meaning of Section 265(b)(3)(C) of the Code or in determining whether the Municipality has designated more than Ten Million Dollars (\$10,000,000) of obligations as qualified tax-exempt obligations for the 2018 calendar year within the meaning of Section 265(b)(3)(D) of the Code. The Designated Portion of the Bonds is hereby designated as a portion of the Ten Million Dollars (\$10,000,000) of qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Code.

SECTION 44. Bonds as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as a portion of the Ten Million Dollars (\$10,000,000) of qualified tax-exempt obligations within the meaning and for the purposes of Section 265(b)(3) of the Code.

SECTION 45. Termination of Series 2013 Lease Upon Discharge of the Series 2013 Refunded Certificates. In accordance with the terms of the Series 2013 Lease, the Series 2013 Lease shall cease and expire upon payment of all principal, premium, and interest payments due on the Series 2013 Certificates and the discharge of the outstanding Series 2013 Refunded Certificates upon payment of the redemption price of the Series Refunded 2013 Certificates, as set forth in the Series 2013 Lease Agreement, and all rights of the Corporation, the Trustee, or any other person or entity in and to the Series 2013 Project shall cease, and the Corporation shall cause the Series 2013 Trustee to release any interest which the Trustee may have in the Series 2013 Project from the lien of the Series 2013 Trust Agreement, and unencumbered fee title to the Series 2013 Project shall vest in the Municipality without further action or demand by the Municipality.

Following the reading of the foregoing resolution and discussion thereof, Alderman _____ moved and Alderman _____ seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Ben Carver	voted: _____
Alderman David Little	voted: _____
Alderman Patrick Miller	voted: _____
Alderman Roy A'. Perkins	voted: _____
Alderwoman Sandra C. Sistrunk	voted: _____
Alderman Henry N. Vaughn, Sr.	voted: _____
Alderman Jason Walker	voted: _____

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this the 20th day of February, 2018.

City of Starkville, Mississippi

Lynn Spruill, Mayor

ATTEST:

Lesia Hardin, City Clerk

(seal)

ATTACHMENT A

Bond Purchase Agreement

\$ _____
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018
CITY OF STARKVILLE, MISSISSIPPI

Date: _____, 20__

BOND PURCHASE AGREEMENT

Mayor and Board of Aldermen
City of Starkville, Mississippi
City Hall
110 West Main Street
Starkville, Mississippi 39759

Stephens Inc., Little Rock, Arkansas (the "Underwriter"), offers to enter into this Bond Purchase Agreement (this "Agreement") with the City of Starkville, Mississippi (the "Municipality"), which, upon the Municipality's acceptance, will be binding upon the Municipality and the Underwriter. This offer is made subject to acceptance by the Municipality at or prior to the end of the day Central Time on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the Municipality by the Underwriter at any time prior to acceptance by the Municipality.

Capitalized terms used herein and not otherwise defined shall have the definitions given in the resolution authorizing and directing the issuance of the Bonds, adopted _____, 20__ (the "Bond Resolution").

1. BACKGROUND

(a) The Municipality will issue and sell its \$_____ principal amount General Obligation Refunding Bonds, Series 2018 (the "Bonds"). The Bonds are being issued for the purpose of refunding all or a portion of the Municipality's General Obligation Parks and Recreation Bonds, Series 2007, of the Municipality in the original principal amount of Five Million Three Hundred Seventy-Five Thousand Dollars (\$5,375,000), dated March 1, 2007, and issued March 20, 2007, maturing after _____, 20__ (the "Series 2007 Refunded Bonds"), and refunding all or a portion of the Municipality's Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000), dated and issued _____ 13, 2013, maturing after _____, 20__ (the "Series 2013 Refunded Certificates") (together, the "Refunded Bonds"). The proceeds of the Bonds will be used to pay for the call and redemption of the Refunded Bonds on or after _____, 20__, and to pay the related costs of the issuance, sale, and delivery of the Bonds and of the aforesaid refunding of the Refunded Bonds.

(b) The Bonds will be issued under the authority of the Constitution and statutes of the State of Mississippi (the "State"), including Section 31-27-1 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the Municipality (the "Governing Body"), including the Bond

Resolution. The Bonds are general obligations of the Municipality payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually, to the extent necessary, without limitation as to rate or amount upon all the taxable property within the geographical limits of the Municipality.

(c) The Bonds will contain the terms and provisions described in the Bond Resolution and will bear interest at the rates and mature on the dates all as more fully described in Section 4(c) of this Agreement and the Official Statement (as hereinafter defined).

(d) The terms and provisions of the Bonds have been approved by the Municipality, which enters into this Agreement in order to induce the Underwriter to purchase the Bonds at the price set forth herein.

(e) A Preliminary Official Statement for the Bonds (including the Appendices thereto), dated _____, 20____ (the "Preliminary Official Statement"), has been distributed in connection with the sale of the Bonds, and an Official Statement (including the Appendices thereto) (the "Official Statement") will be delivered subsequent to the date hereof.

(f) The Municipality will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in each Preliminary Official Statement and will also be set forth in each final Official Statement.

(g) In reliance upon the opinion of Jones Walker LLP, Bond Counsel, interest on the Bonds will be excluded from gross income for Federal income tax purposes under existing statutes, regulations, rulings, and court decisions.

(h) The Bonds are being offered as qualified tax-exempt obligations of the Municipality within the meaning and for the purposes of Section 265(b)3 of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

2. REPRESENTATIONS OF THE MUNICIPALITY

The Municipality makes the following representations, all of which will survive the purchase and offering of the Bonds:

(a) The Municipality is a political subdivision of the State, duly organized and existing under the laws of the State.

(b) The Municipality is authorized by the provisions of the Act and the Bond Resolution to issue the Bonds, secured as set forth in the Bond Resolution.

(c) The Municipality has complied with all provisions of the Constitution and the laws of the State pertaining to the issuance and sale of the Bonds, including the Act, and has full power and authority to authorize and thereafter consummate all transactions contemplated by this Agreement and the Bonds.

(d) The Municipality has duly adopted the necessary resolutions and has duly authorized the execution of this Agreement and the issuance and sale of the Bonds, and has taken all actions and obtained all approvals necessary and appropriate to carry out the same.

(e) The information relating to the Municipality contained in the Preliminary Official Statement does not contain any untrue or misleading statement of a material fact as of the date hereof, and does not omit to state any material fact that should be included therein for the purpose for which the Preliminary Official Statement is being used or that is necessary to make such information, in light of the circumstances under which such information was given, not misleading.

(f) The information relating to the Municipality to be contained in the Official Statement and any amendment or supplement that may be authorized by the Municipality for use with respect to the Bonds as of the Closing Date (hereinafter defined) will be true and correct and will not contain any untrue or misleading statement of a material fact and will not omit to state any material fact that should be stated therein or is necessary to make such information in such Official Statement, in light of the circumstances under which such information is given, not misleading.

(g) The Municipality has duly authorized all necessary actions to be taken by the Municipality for (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Bond Resolution, (ii) the use of the Preliminary Official Statement and the execution of the Official Statement by the Municipality, (iii) the execution, delivery, receipt and due performance of this Agreement, the Continuing Disclosure Certificate, and the Bonds, and any and all other agreements and documents as may be required to be executed, delivered and received by the Municipality in order to consummate the transactions contemplated hereby and by the Official Statement, and (iv) the consummation of the transactions contemplated hereby and the Official Statement. Executed counterparts of the Official Statement will be delivered to the Underwriter by the Municipality on the Closing Date.

(h) There is no action, suit, proceeding, inquiry, investigation at law or in equity or before or by any court, public board or body pending or, to the best of the Municipality's knowledge, threatened against or affecting the Municipality (or any basis therefor), wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby or by the Official Statement, or the validity of the Bonds, this Agreement or any agreement or instrument to which the Municipality is or is expected to be a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement.

(i) The execution and delivery by the Municipality of the Official Statement, this Agreement, the Bonds, and other agreements contemplated hereby and by the Official Statement and compliance with the provisions thereof will not conflict with or constitute, on the part of the Municipality, a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Municipality is subject or by which the Municipality is or may be bound.

(j) The Municipality has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Municipality is a bond issuer whose arbitrage certifications may not be relied upon.

(k) Any certificate signed by any of the Municipality's authorized officers and delivered to the Underwriter shall be deemed a representation and warranty by the Municipality to the Underwriter as to the statements made therein.

(l) If prior to the Closing Date (hereinafter defined) any event occurs which might or would cause the Official Statement as it may be then supplemented or amended to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein in light of the circumstances under which they were made not misleading, the Municipality shall notify the Underwriter and, if in the opinion of the Municipality and the Underwriter, such event requires the preparation and publication of a supplement or amendment, the Municipality will supplement or amend the Official Statement in a form and manner approved by the Underwriter.

(m) To the knowledge of the Municipality, the Municipality is not in default, and at no time has been in default, in the payment of principal of, premium, if any, interest on, or otherwise in default with respect to bonds, notes, or other obligations which it has issued, assumed or guaranteed.

3. **COVENANTS OF THE MUNICIPALITY**

The Municipality agrees to the following covenants, all of which will survive the purchase and offering of the Bonds and any investigations made by or on behalf of the Underwriter:

(a) The Municipality shall refrain from taking or permitting to be taken any action, with regard to which the Municipality may exercise control, that results in the loss of the tax exempt status of the interest on the Bonds.

(b) The Municipality shall apply the proceeds of the Bonds in accordance with the Bond Resolution and the Official Statement.

(c) The Municipality shall timely furnish or cause to be furnished to the Underwriter, in such quantities as shall be requested by the Underwriter, copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available.

(d) The Municipality shall not take or omit to take, as may be applicable, any action which would, in any way, cause the proceeds of the Bonds to be applied in a manner contrary to the requirements of the Bond Resolution and the Official Statement.

(e) Whether or not the sale of the Bonds by the Municipality to the Underwriter is consummated, the Municipality agrees that the Underwriter shall have no obligation to pay any costs or expenses of the Municipality under this Agreement.

(f) The Municipality will timely undertake, pursuant to the Bond Resolution and a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

(g) The Municipality shall cooperate in qualifying the Bonds for offer and sale under the securities laws of the states designated by the Underwriter; provided that the Municipality shall not be required to consent to service of process in any state or jurisdiction in which it is not now so subject.

4. **PURCHASE, SALE AND DELIVERY OF THE BONDS**

(a) On the basis of the representations, warranties and covenants contained herein and in the other agreements referred to herein, and subject to the terms and conditions herein set forth, on the Closing Date the Underwriter agrees to purchase from the Municipality and the Municipality agrees to sell to the Underwriter all, but not less than all, of the Bonds for a purchase price of \$_____, representing par amount of \$_____.00, less Underwriter's discount of \$_____, plus original issue premium of \$_____.

(b) The Municipality will deliver the Bonds to or for the account of the Underwriter against payment of the purchase price therefor by wire transfer of immediately available funds to the account of the Municipality at or prior to 1:00 o'clock [am/pm] Central Time on _____, or such other place, time or date as shall be mutually agreed upon by the Municipality and the Underwriter (the "Closing Date"). The Bonds will be delivered in fully registered form in such denominations and registered to such persons as the Underwriter shall request at least three (3) days prior to the Closing Date. The Bonds shall be deposited with DTC as book entry only bonds and may be in printed, engraved, typewritten or photocopied form, and each such form shall constitute "definitive form."

(c) The Bonds shall be in registered form; shall be dated the date of delivery; shall be of the denomination of \$5,000 each or integral multiples thereof up to the amount of a single maturity; shall be numbered from one (1) upward in order of issuance; shall be payable, both as to principal and interest, in lawful money of the United States of America at First National Bank of Clarksdale, Clarksdale, Mississippi (the "Paying Agent"), said bank to act as paying agent, registrar and transfer agent for said bonds; shall bear interest from the date thereof at the rates hereinafter set forth, payable on _____, 20____, and semiannually thereafter on _____ 1 and _____ 1 of each year, and shall mature and become due and payable, without option of prior payment, on _____ 1 in the years and principal amounts and at the rates and yield as follows:

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIPS</u>

*The Bonds maturing on _____ 1, 20____, are term bonds subject to mandatory sinking fund redemption prior to their scheduled maturity on _____ 1 of the years listed below at a redemption price of one hundred percent (100%) of the principal amount redeemed plus accrued interest to the redemption date in accordance with the following schedule:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
20____	
20____*	

*Final maturity.

Not less than thirty (30) days or more than sixty (60) days prior to each such scheduled mandatory sinking fund redemption date, the Paying Agent shall proceed to select for redemption, by lot, the Bonds or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such Bonds or portions thereof for redemption on such scheduled mandatory sinking fund redemption date; provided, however, that the Municipality may, upon written direction delivered to the Paying Agent not less than 60 days prior to such scheduled mandatory sinking fund redemption date, direct that any or all of the following amounts be credited against the principal amount of the Bonds scheduled for redemption on such date: (a) the principal amount of the Bonds maturing on _____ 1, 20____, delivered by the Municipality to the Paying Agent for cancellation and not previously claimed as a credit; (b) the principal amount of the Bonds maturing on _____ 1, 20____, previously redeemed (other than pursuant to this provision) and not previously claimed as a credit; and (c) the principal amount of the Bonds maturing on _____ 1, 20____, which have been otherwise deemed "fully paid" and not previously claimed as credit.

(d) In connection with the purchase, sale and delivery of the Bonds, the Underwriter represents and warrants to the Municipality the following:

(1) the Bonds will be sold through a bona fide public offering;

(2) the Underwriter is registered under the Securities Exchange Act of 1934 as a municipal securities dealer; and

(3) no Bonds will be sold except pursuant to the Preliminary Official Statement and the Official Statement and in compliance with all applicable state and Federal securities laws.

5. **BOND DOCUMENTS**

On or prior to the Closing Date, the Underwriter shall have received the following (collectively, the “Bond Documents”):

(a) the Preliminary Official Statement and final Official Statement of the Municipality relating to the Bonds, as amended and supplemented, duly executed on behalf of the Municipality;

(b) a copy, certified by the City Clerk of the Municipality, of the transcript of proceedings of the Governing Body of the Municipality in connection with the authorization, issuance, sale and validation of the Bonds. The Municipality hereby authorizes the Underwriter to use the Official Statement in connection with the offer, sale and distribution of the Bonds;

(c) the Continuing Disclosure Certificate; and

(d) this Agreement.

6. **CONDITIONS TO OBLIGATIONS OF THE UNDERWRITER**

The obligation of the Underwriter to purchase and pay for the Bonds and the obligation of the Municipality to sell the Bonds to the Underwriter shall be subject to the following conditions precedent:

(a) The Municipality shall have performed all of its obligations hereunder and the statements made on behalf of the Municipality hereunder shall be true and correct on the date hereof and on the Closing Date as if made on the Closing Date, and the Municipality shall deliver a certificate to such effect. The Official Statement (as the same may be amended or supplemented with the written approval of the Underwriter) on the date thereof and on the Closing Date shall be true, correct and complete in all material respects and shall not contain any untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(b) Except as may otherwise have been agreed to by the Underwriter, as of the Closing Date, the Bond Resolution, the Official Statement, the Continuing Disclosure Certificate (as such terms are defined in the Bond Resolution), and all other official actions of the Municipality relating thereto shall be in full force and effect; and the Bond Resolution shall not have been amended, modified or supplemented, and the Official Statement shall not have been amended or supplemented without the written approval of the Underwriter.

(c) The Municipality shall have received the approving opinion and supplemental opinion of Jones Walker LLP, Jackson, Mississippi, Bond Counsel, in form and substance acceptable to the Underwriter, and the Underwriter shall have received a letter from said firm, dated the Closing Date and addressed to the Underwriter, to the effect that the Underwriter may rely upon such firm's opinion as if it were addressed to the Underwriter.

(d) The Underwriter shall have received the opinion of Counsel to the Municipality, Christopher J. Latimer, Mitchell, McNutt & Sams, P.A., dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(e) No default or event of default (as defined in any of the Bond Documents) shall have occurred and be continuing, and no event shall have occurred and be continuing which, with the lapse of time or the giving of notice or both, would constitute such a default or event of default.

(f) No material adverse change shall have occurred, nor shall any development involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects or properties of the Municipality have occurred, between the date hereof and the Closing Date.

(g) On or prior to the Closing Date, all actions required to be taken as of the Closing Date in connection with the Bonds and the Bond Resolution by the Municipality shall have been taken, and the Municipality shall have performed and complied with all agreements, covenants and conditions required to be performed or complied with by this Agreement, the Bonds and the Bond Resolution, and the Municipality shall deliver a certificate to such effect insofar as the foregoing actions, agreements, covenants, and conditions apply, and each of such agreements shall be in full force and effect and shall not have been amended, modified or supplemented, except as has been agreed to in writing by the Underwriter.

(h) Each of the Bond Documents shall have been executed and delivered by each of the respective parties thereto, all such documents shall be in forms exhibited to the Underwriter on the date hereof with only such changes as the Underwriter may approve in writing, and each of the Bond Documents shall be in full force and effect.

(i) Between the date of this Agreement and the Closing Date, no material adverse change shall have occurred, nor shall any development have occurred involving a prospective material and adverse change in, or affecting the affairs, business, financial condition, results of operations, prospects or properties of the Municipality.

(j) On or prior to the Closing Date, all actions required to be taken as of the Closing Date in connection with the Bonds and the Bond Documents by the Municipality shall have been taken, and the Municipality shall have performed and complied with all agreements, covenants and conditions required to be performed or complied with by this Agreement, the Bonds and the Bond Documents, and the Municipality shall deliver a certificate to such effect insofar as the foregoing actions, agreements, covenants and conditions apply, and each of such agreements shall be in full force and effect and shall not have been amended, modified or supplemented, except as has been agreed to in writing by the Underwriter.

(k) None of the events referred to in Section 7, infra, of this Agreement shall have occurred.

(l) The Underwriter shall have received a certificate, dated the Closing Date and signed on behalf of the Municipality, to the effect that:

(1) except as disclosed in the Official Statement, the Municipality has not received notice of any pending, nor to the Municipality's knowledge is there any threatened, action, suit, proceeding, inquiry or investigation against the Municipality, at law or in equity, by or before any court, public board or body, nor to the Municipality's knowledge is there any basis therefor, affecting the existence of the Municipality or the titles of its officers to their respective offices, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the pledge of taxes pledged or to be pledged to pay the principal of, premium, if any, and interest on the Bonds, or in any way materially adversely affecting or questioning (A) the existence and powers of the Municipality, (B) the use of the Official Statement, (C) the use of the proceeds of the Bonds to refund the Refunded Bonds, (D) the validity or enforceability of the Bonds or any proceedings of the Municipality taken with respect to the Bonds, (E) the execution and delivery of the Bond Documents, or (F) the power of the Municipality to carry out the transactions contemplated by the Bond Documents;

(2) the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements describing the Municipality contained therein, in light of the circumstances under which they were made, not misleading; and

(3) the Municipality has complied with all the covenants and satisfied all of the conditions on its part to be performed or satisfied at or prior to the Closing Date, and the representations and warranties of the Municipality contained herein are true and correct as of the Closing Date.

(m) Evidence, satisfactory in form and substance to the Underwriter and Bond Counsel, of a satisfactory and favorable conclusion to a bond validation proceeding under the laws of the State with respect to the Bonds shall have been received.

(n) Such additional certificates, opinions and other documents as the Underwriter or Bond Counsel may reasonably request to evidence performance of or compliance with the provisions of this Agreement and the transactions contemplated hereby and by the Official Statement, all such certificates and other documents to be satisfactory in form and substance to the Underwriter, shall have been received.

(o) The Underwriter shall have received verification satisfactory to the Underwriter of the use of the proceeds of the Bonds.

(p) If any conditions to the obligations of the Underwriter or the Municipality contained in this Agreement are not satisfied and the satisfaction of such conditions shall not be waived by the Underwriter and the Municipality, then, at the option of the Underwriter and the Municipality, (1) the Closing Date shall be postponed for such period as may be necessary for such conditions to be satisfied, or (2) without limiting the generality of Section 13 of this Agreement, the obligations of the Underwriter and the Municipality under this Agreement shall terminate, and neither the Underwriter nor the Municipality shall have any further obligations or liabilities hereunder.

(q) All of the legal opinions, certificates, proceedings, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter and the Municipality.

(r) The Municipality shall have executed and delivered to the Underwriter the Continuing Disclosure Certificate for the Bonds.

7. **TERMINATION**

The Underwriter may terminate its obligations hereunder by written notice to the Municipality if, at any time subsequent to the date hereof and on or prior to the Closing Date:

(a) (1) Legislation shall have been enacted by the Congress, or recommended to the Congress for passage by the President of the United States or the Department of the Treasury of the United States or the Internal Revenue Service or any member of the United States Congress or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration, or (2) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (3) an order, ruling, regulation or communication (including a press release) shall have been issued by the Department of the Treasury of the United States or the Internal Revenue Service, in each case referred to in clauses (1) and (2), with the purpose or effect, and reasonable likelihood, directly or indirectly, of imposing Federal income taxation upon interest to be received by any owners of the Bonds.

(b) Legislation shall have been enacted or a decision by a court of the United States shall be rendered or any action taken by the Securities and Exchange Commission which, in the opinion of counsel to the Underwriter, has the effect of requiring the offer or sale of the Bonds to be registered under the Securities Act of 1933, as amended, or any event shall have occurred that, in the judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or that, in the judgment of the Underwriter, should be reflected therein in order to make the statements contained therein not misleading in any material respect.

(c) (1) In the judgment of the Underwriter, the market price of the Bonds is adversely affected because (A) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange, (B) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of Underwriter, (C) a general banking moratorium shall have been established by Federal, New York or Mississippi authorities, or (D) a war involving the United States of America shall have been declared, or any other national or international calamity shall have occurred, or any conflict involving the armed forces of the United States of America shall have escalated to such a magnitude, in any such case

so as to materially affect the ability of the Underwriter to market the Bonds, or (2) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting or affecting any authority or security for or the validity of the Bonds, or the existence or powers of the Municipality.

(d) There shall have occurred any change that, in the reasonable judgment of the Underwriter, makes unreasonable or unreliable any of the assumptions upon which (1) yield on the Bonds for purposes of compliance with the Code, (2) payment of debt service on the Bonds, or (3) the basis for the exclusion from gross income for Federal and Mississippi income tax purposes of interest on the Bonds, is predicated.

(e) There shall have occurred any material change in the financial, business or affairs of the Municipality which, in the reasonable judgment of the Underwriter, materially adversely affects the investment quality of the Bonds.

(f) Any legislation, ordinance, rule or regulations shall be enacted or be actively considered for enactment by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State shall be rendered, which, in the reasonable opinion of the Underwriter, materially or adversely affects the market price of the Bonds.

(g) A stop order, ruling, regulation or official statement by or on behalf of the Office of Secretary of State of the State or other securities regulator shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, is a violation of any provisions of the Blue Sky laws of the State.

(h) Any condition to the Underwriter's obligations hereunder is not satisfied or if there is any refusal, inability or failure on the part of the Municipality to comply with any of the terms or to fulfill any of the conditions provided for or contemplated by this Agreement, or if for any reason the Municipality shall be unable to perform all of its obligations or satisfy conditions provided for or contemplated in this Agreement.

(i) Additional material restrictions, not in force as of the date hereof, shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange.

(j) There shall have occurred any outbreak or material escalation of hostilities or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it, in the reasonable opinion of the Underwriter, impractical to market the Bonds or to enforce commitments for the purchase of the Bonds

(k) The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

(l) There shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Municipality's obligations.

8. **EXPENSES**

Except as otherwise provided herein, the Municipality shall cause to be paid from proceeds of the sale of the Bonds or from other funds available to the Municipality, the costs of issuing the Bonds, whether or not the sale of the Bonds by the Municipality to the Underwriter is consummated.

The Underwriter shall pay all expenses incurred by them in connection with their public offering and distribution of the Bonds, whether or not the sale of the Bonds by the Municipality to the Underwriter is consummated.

9. **RULE 15c2-12**

In order for the Underwriter to comply with Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12"), the Municipality hereby:

(a) represents and warrants that the Official Statement delivered to the Underwriter within seven (7) business days of the execution and delivery hereof is deemed final by the Municipality as of the date hereof;

(b) covenants and agrees to cause to be made available to the Underwriter such reasonable quantities of the Bond Documents, including the Official Statement, as the Underwriter may request for use in connection with the offering and sale of the Bonds.

(c) represents and warrants that, if, after the date of this Agreement and until twenty-five (25) days after the end of the underwriting period, any event shall occur as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances when the Official Statement is delivered to a Underwriter, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, to notify the Underwriter (and for the purposes of this clause (c) to provide the purchasers with such information as they may from time to time request), and to forthwith prepare and furnish, at its own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not, in light of the circumstances when the Official Statement is delivered to a purchaser, be misleading or so that the Official Statement will comply with law;

(d) represents and warrants that, at the time of the Municipality's acceptance hereof and (unless an event occurs in the nature described in Section 9(c) hereof at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the end of the underwriting period, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading; and

(e) represents and warrants that, if the Official Statement is supplemented or amended pursuant to Section 9(c) hereof, at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent

to the end of the underwriting period, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading.

Unless otherwise notified in writing by the Underwriter by the Closing Date, the Municipality can assume that the “end of the underwriting period” for purposes of Rule 15c2-12 shall be the Closing Date. In the event such notice is so given in writing by the Underwriter, the Underwriter agrees to notify the Municipality in writing following the occurrence of the end of the underwriting period as defined in Rule 15c2-12.

10. **CONDITION OF THE MUNICIPALITY'S OBLIGATIONS**

The Municipality's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder.

11. **NOTICES**

Any notice or other communication to be given to the Municipality and the Underwriter under this Agreement may be given by delivering the same in writing as follows:

Municipality: City of Starkville, Mississippi
City Hall
110 West Main Street
Starkville, Mississippi 39759
Attention: Lesa D. Hardin, City Clerk

Underwriter: Stephens Inc.

Attention: _____, _____

12. **SUCCESSORS**

This Agreement is made solely for the benefit of the Municipality and the Underwriter (including their successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof (other than pursuant to Section 3 hereof).

13. **SURVIVAL OF CERTAIN REPRESENTATIONS AND WARRANTIES**

All agreements, covenants, representations and warranties and all other statements of the Municipality set forth in or made pursuant to this Agreement shall remain in full force and effect, regardless of any investigation, or statement as to the results thereof made by or on behalf of the Underwriter or the Municipality, and shall survive the Closing Date and the delivery of and payment for the Bonds.

14. **ARM-LENGTHS TRANSACTION**

The Municipality acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Municipality and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Municipality; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the Municipality with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Municipality on other matters) nor has it assumed any other obligation to the Municipality except the obligations expressly set forth in this Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Municipality; and (v) the Municipality has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

15. **GOVERNING LAW**

This Agreement shall be governed by the laws of the State.

16. **MISCELLANEOUS**

This Agreement constitutes the only agreement among the parties hereto relating to the subject matter hereof and it supersedes and cancels any and all previous contracts, agreements or understandings with respect thereto. This Agreement may not be amended or modified except in writing executed by all parties hereto.

17. **COUNTERPARTS**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

STEPHENS INC.

By:_____

Name: _____

Title: _____

Accepted on _____, 20__

City of Starkville, Mississippi

Lynn Spruill, Mayor

ATTACHMENT B

Preliminary Official Statement

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018

NEW ISSUE/BOOK- ENTRY-ONLY

RATINGS:
Insured Ratings: _____
Underlying Rating: Moody's: _____
(See "Ratings" and "Bond Insurance" herein)

In the opinion of Bond Counsel (as defined herein), under existing laws, regulations, rulings, and judicial decisions, interest on the Bonds is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code (as defined herein), and such interest is not a specific preference item for purposes of the federal alternative minimum tax except that, for tax years beginning before January 1, 2018, such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the federal alternative minimum taxable income of corporations. Bond Counsel is further of the opinion that under existing law, interest on the Bonds earned by the respective owners thereof is exempt from State of Mississippi income taxes. For a more complete description, see "TAX EXEMPTION".

\$ _____*
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018
OF THE
CITY OF STARKVILLE, MISSISSIPPI

DATED: Date of Delivery **DUE: _____ 1, as shown below**

The Bonds will be issued as fully registered bonds in denominations of \$5,000 or integral multiples thereof, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases may be made only in book-entry form through the DTC Participants and no physical delivery of the Bonds will be made to Beneficial Owners, except as described herein. The principal of, premium, if any, and interest on the Bonds will be made to Cede & Co., as long as Cede & Co. is the Registered Owner. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants, as described herein. Interest on the Bonds is payable on _____ 1, 20____, and semiannually thereafter on _____ 1 and _____ 1 of each year, to the Registered Owners of record as of the applicable Record Dates, as herein described, which payments shall, as long as the book-entry only system described herein is in place, be made to Cede & Co. _____, Mississippi, will serve as Paying Agent. The Bonds will be subject to redemption prior to maturity as described herein.

The Bonds will be issued under and in conformity with the Constitution and Laws of the State of Mississippi and pursuant to the Bond Resolution adopted by the Mayor and Board of Aldermen of the Municipality on _____, 20____, as same may be amended. The Bonds are secured by a pledge of the full faith and credit of the Municipality as described in the Bond Resolution.

MATURITY SCHEDULE*

<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/ Yield</u>	<u>Year of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price/ Yield</u>
-----------------------------	-----------------------------	--------------------------	-------------------------	-----------------------------	-----------------------------	--------------------------	-------------------------

The Bonds are being offered as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986.

The Bonds are offered subject to the final approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, Bond Counsel.

***Preliminary, subject to change.**

THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFERING OF ANY SECURITY OTHER THAN THE ORIGINAL OFFERING OF THE BONDS IDENTIFIED ON THE COVER HEREOF. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION OTHER THAN THAT CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF THE BONDS BY ANY PERSON, IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSION OF OPINIONS HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR THE SALE OF ANY OF THE BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THE INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF.

INFORMATION HEREIN HAS BEEN OBTAINED FROM THE BANK, THE CITY, AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION IS NOT GUARANTEED BY THE UNDERWRITER.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE BANK UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW, AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE BANK (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE.

THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE BANK AND THE PURCHASERS OR HOLDERS OF THE BONDS. ALL ESTIMATES AND ASSUMPTIONS CONTAINED HEREIN ARE BELIEVED TO BE REASONABLE, BUT NO REPRESENTATION IS MADE THAT SUCH ESTIMATES OR ASSUMPTIONS ARE CORRECT OR WILL BE REALIZED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS A PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL

SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

TABLE OF CONTENTS

INTRODUCTION	1
THE BONDS	1
Definitions.....	1
Terms of the Bonds.....	1
Purpose and Authorization.....	5
<i>Redemption of the Bonds.</i>	5
Book-Entry Only System.....	6
Security.	8
1995 Constitutional Amendment	9
Sources and Uses of Funds	10
PLAN OF REFUNDING.....	10
CONTINUING DISCLOSURE.....	11
TAX EXEMPTION	11
MISCELLANEOUS AND LEGAL INFORMATION	15
No Default on Securities.....	15
No Bond Proceeds for Current Operating Expenses.....	15
Pension Plan.....	15
No-Litigation Certificate.....	15
Validation.....	15
Underwriting.....	15
Approval of Legal Proceedings	15
Auditors.....	16
Miscellaneous	16
 APPENDIX A – GENERAL INFORMATION REGARDING THE MUNICIPALITY AND ITS ECONOMY	
 APPENDIX B – MATURITY AND REDEMPTION SCHEDULES FOR THE SERIES 2007 REFUNDED BONDS AND THE SERIES 2013 REFUNDED CERTIFICATES	
 APPENDIX C – BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018, AND THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017	
 APPENDIX D – FORM OF BOND COUNSEL OPINION	
 APPENDIX E – FORM OF THE CONTINUING DISCLOSURE CERTIFICATE	

(THIS PAGE LEFT BLANK INTENTIONALLY)

OFFICIAL STATEMENT

\$_____¹

GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018

OF THE

CITY OF STARKVILLE, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the sale of the General Obligation Refunding Bonds, Series 2018, dated _____, 20____ of the City of Starkville, Mississippi. In addition to any terms elsewhere defined herein, capitalized terms used in this Official Statement have the meanings set forth under the subheading "Definitions" herein below.

Reference is made to the Act, the Bond Resolution, and any and all modifications and amendments thereof for a description of the nature and extent of the security for the Bonds, the pledge of certain revenues for the payment of the principal of and interest on the Bonds, the nature and extent of said pledge and the terms and conditions under which the Bonds are issued.

THE BONDS

Definitions.

"Act" shall mean Sections 31-27-1 *et seq.*, Mississippi Code of 1972, as amended.

"Bond" or "Bonds" shall mean the Nine Million Dollars (\$9,000,000) maximum principal amount General Obligation Refunding Bonds, Series 2018, of the Municipality authorized and directed to be issued in the Bond Resolution for the Refunding.

"Bond Counsel" shall mean Jones Walker LLP, Jackson, Mississippi, or any other nationally recognized attorneys on the subject of municipal bonds.

"Bond Fund" shall mean the Bond Fund of the Municipality provided for in Section 15 of the Bond Resolution.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to the Bond Resolution.

"Bond Purchase Agreement" shall mean the bond purchase agreement or agreements over one or more years to be entered into between the Municipality and the Underwriter for the purchase and sale of the Bonds.

"Bond Resolution" shall mean the resolution of the Governing Body of the Municipality authorizing and directing the issuance of the Bonds, as the same from time to time may be amended.

"Business Day" shall mean a day of the year on which banks located in the city in which the principal office of the Paying Agent is located are not required or authorized to remain closed.

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

"Closing Date" with respect to the Bonds shall mean the date of issuance and delivery of the Bonds to the Underwriter.

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Continuing Disclosure Certificate" shall mean the Continuing Disclosure Certificate or Certificates to be executed by the Municipality and dated the date of issuance and delivery of any of the Bonds, as originally executed and as same may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance Fund" shall mean the Costs of Issuance Fund provided for in Section 17 of the Bond Resolution.

"Counsel to the Municipality" means Christopher J. Latimer, Mitchell, McNutt & Sams, P.A.

"Corporation" means the Golden Triangle Planning and Development District, Inc., a Mississippi non-profit corporation, or the Golden Triangle Public Buildings Leasing Corporation, a Mississippi non-profit corporation.

"County" shall mean Oktibbeha County, Mississippi.

"Deemed Designated Portion" shall mean the principal amount of the Bonds that does not exceed the principal amount of the Series 2007 Refunded Bonds and the Series 2013 Refunded Certificates.

"Designated Portion" shall mean the principal amount of the Bonds in excess of the principal amount of the Deemed Designated Portion.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Escrow Agent" shall mean First National Bank of Clarksdale, Clarksdale, Mississippi, in its capacity as escrow agent under the Escrow Agreement, and any successor or assign in such capacity.

"Escrow Agreement" shall mean the agreement to be entered into by and between the Municipality and the Escrow Agent, providing for the escrow and investment of a portion of the proceeds of the Bonds to effect the refunding of the Series 2013 Refunded Certificates.

"Escrow Fund" shall mean the fund established pursuant to the Escrow Agreement to pay the principal of, redemption premiums (if any), and interest on the Series 2013 Refunded Certificates.

"Event of Default" shall mean an event of default as described in Section 21 of the Bond Resolution.

"Fiscal Year" shall mean the period beginning on October 1st of one year and ending on September 30th of the following year.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Governmental Obligations" shall mean the direct general obligations of the United States, or obligations the principal of and interest on which is guaranteed by the United States, and without limitation, shall include any money market type investment invested only in such obligations or one hundred percent (100%) secured by such obligations, including "SLGS," which shall mean special United States Department of the Treasury securities sold to states, municipalities and other local government bodies, for which the interest rates and maturities can be subscribed for by an issuer of municipal securities in such a manner as to comply with arbitrage restrictions imposed under the Code.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

"Option to Purchase" shall mean the right of the Municipality to purchase the Corporation's interest in the Series 2013 Project for a stated price as provided in the Series 2013 Lease.

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

"Payment Dates" shall mean any dates on which interest or principal and interest on any of the Bonds is payable pursuant to the Bond Purchase Agreement.

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

"Procedures" shall mean the Post Issuance Compliance Procedures.

"Record Date" shall mean, as to interest payments on any Bonds, the fifteenth (15th) day of the month preceding the dates set for payment of interest on such Bonds and, as to payments

of principal on any Bonds, the fifteenth (15th) day of the month preceding the date on which such principal shall be due and payable, whether at maturity or upon the redemption date applicable to such Bonds.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Refunded Bonds" shall mean, together, the Series 2007 Refunded Bonds and the Series 2013 Refunded Certificates.

"Refunding" shall mean providing for the payment of the outstanding principal amount of the Refunded Bonds, redemption premiums, if any, and interest accrued or to accrue to the date of redemption of the Refunded Bonds, and the related costs of the issuance, sale and delivery of the Bonds and of the refunding of the Refunded Bonds.

"Registered Owner" shall mean the Person whose name shall appear in the registration books of the Municipality maintained by the Paying Agent with respect to any of the Bonds.

"Representation Letter" shall mean the blanket representation letter to DTC pertaining to book-entry obligations of the Municipality.

"Responsible Party" shall mean the party specified in each section of the Procedures as being responsible for compliance.

"Series 2007 Bonds" shall mean the General Obligation Parks and Recreation Bonds, Series 2007, of the Municipality in the original principal amount of Five Million Three Hundred Seventy-Five Thousand Dollars (\$5,375,000), dated March 1, 2007, and issued March 20, 2007.

"Series 2007 Bond Resolution" shall mean the resolution authorizing and directing the issuance of the Series 2007 Bonds, adopted February 6, 2007, by the Governing Body.

"Series 2007 Paying Agent" means the First National Bank of Clarksdale, Clarksdale, Mississippi.

"Series 2007 Refunded Bonds" shall mean all or any portion of the outstanding Series 2007 Bonds maturing after March 1, 2017, which are to be refunded with all or a portion of the proceeds of the Bonds, as specified in the Bond Purchase Agreement.

"Series 2013 Certificates" shall mean the Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000), dated and issued June 13, 2013, evidencing proportionate interests in a lease, including the right to receive base rental payments thereunder, to be made by the Municipality, pursuant to Section 31-8-1 *et seq.* Mississippi Code of 1972, as amended, the Series 2013 Lease, and the Series 2013 Trust Agreement.

"Series 2013 Certificates Resolution" shall mean the resolution authorizing and directing the issuance of the Series 2013 Certificates, adopted June 5, 2012, by the Governing Body.

"Series 2013 Lease" shall mean the Lease and Option to Purchase, dated as of April 1, 2013, between the Corporation as lessor and the Municipality as lessee, pursuant to which the Municipality leases the 2013 Project from the Corporation.

"Series 2013 Project" shall mean the "Project" as such term is defined in the 2013 Trust Agreement.

"Series 2013 Refunded Certificates" shall mean all or any portion of the outstanding Series 2013 Certificates Bonds maturing after June 1, 2018, which are to be refunded with all or a portion of the proceeds of the Bonds, as specified in the Bond Purchase Agreement.

"Series 2013 Trustee" means First National Bank of Clarksdale, Clarksdale, Mississippi, its capacity pursuant to the 2013 Trust Agreement.

"Series 2013 Trust Agreement" shall mean the Trust Indenture dated as of April 1, 2013, between the Municipality and the Trustee, providing for the execution and delivery of the Series 2013 Certificates and providing the terms of the Series 2013 Certificates.

"Subsection 148(f)" shall mean Subsection 148(f) of the Code.

"Subsection 148(f) Regulations" shall mean any regulations promulgated from time to time pursuant to Subsection 148(f).

"Underwriter" shall mean Stephens Inc., Little Rock, Arkansas.

Terms of the Bonds. The Bonds will be dated _____, 20____, will be delivered in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity, will be numbered from one upward in the order of issuance, will be issued in fully registered form, and will bear interest from the date thereof at the rate or rates specified on the cover of this Official Statement on _____ 1, 20____, and semiannually thereafter on _____ 1 and _____ 1 of each year.

Purpose and Authorization. The Bonds are being issued to provided funds to pay the costs of refunding of the Refunded Bonds, including payment of the principal amount of the Refunded Bonds, redemption premiums (if any), interest accrued or to accrue to the date of redemption of the Refunded Bonds, and the related costs of the issuance, sale and delivery of the Bonds. The Bonds will be issued pursuant to the provisions of the Act and the Bond Resolution.

Redemption of the Bonds. The Bonds maturing after _____ 1, 20____, are subject to optional redemption prior to their stated dates of maturity at the option of the Municipality on and after _____ 1, 20____, in whole or in part on any date, with the maturities and principal amounts thereof to be determined by the Municipality, [at the redemption price of 100% of principal amount of Bonds to be redeemed, plus accrued interest to the date of redemption]. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as the Paying Agent shall deem fair and appropriate. Notice of each such redemption shall be given not less than thirty (30) days and not more than sixty (60) days prior to the redemption date, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the

registration books of the Municipality kept by the Paying Agent. If less than all of the outstanding Bonds of a maturity are to be redeemed, the particular Bonds to be redeemed shall be selected by the Paying Agent by lot or random selection in such manner as the Paying Agent shall deem fair and appropriate. The Municipality may provide for the selection of portions of the principal of Bonds, and for all purposes of this Bond Resolution, all provisions relating to the redemption of Bonds shall relate, in the case of any Bond redeemed or to be redeemed only in part, to the portion of the principal of such Bond which has been or is to be redeemed

Book-Entry Only System. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by the authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds in the aggregate principal amount of such issue, and will be deposited with DTC. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the 20__ Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Municipality as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal payments, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detailed information from the Municipality or the Paying Agent, on payment dates in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Municipality, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal payments, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Municipality or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Municipality or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Municipality may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Municipality believes to be reliable, but the Municipality takes no responsibility for the accuracy thereof. So long as Cede & Co. is the registered holder of the Bonds as nominee of DTC, references herein to the Holders, holders, or registered owners of the Bonds mean Cede & Co. and not the Beneficial Owners of the Bonds.

THE MUNICIPALITY AND THE PAYING AGENT CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS; (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS; OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC. NEITHER THE MUNICIPALITY NOR THE PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Security. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment), there shall be and is hereby levied, to the extent necessary, a direct, continuing special tax upon all of the taxable property within the geographical limits of the Municipality, which tax, together with any

other moneys available for such purpose, shall be adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes, to produce sums required for the payment of the principal of and the interest on the Bonds (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment). Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes for the Municipality are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Registered Owners of any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

1995 Constitutional Amendment. The qualified electors of the State voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 to add the following new Section 172A (the “Amendment”):

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation to pay the principal of and interest on the Bonds as they mature and become due nor does it affect the obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect Bondholders' remedies in the event of a payment default, it potentially prevents Bondholders from obtaining a writ of mandamus to compel the levying of taxes to pay the principal of and interest on the Bonds in a court of the State. It is not certain whether the Amendment would affect the right of a federal court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to the Bondholders in the event of a payment default with respect to the Bonds. For example, Bondholders can seek a writ of mandamus to compel the Municipality to use any legally available moneys to pay the debt service on the Bonds, and if such writ of mandamus is issued and public officials fail to comply with such writ, then such public officials may be held in contempt of court. In addition, pursuant to the Mississippi Constitution §175, all public officers who are guilty of willful neglect of duty may be removed from office.

Sources and Uses of Funds. The following is a summary of the estimated sources and uses of proceeds of the Bonds and certain other funds:

Sources of Funds.

Par Amount of the Bonds	\$
	\$

Uses of Funds.

Refunding	\$
Cost of Issuance	
Underwriter's Discount	
	\$

PLAN OF REFUNDING

Upon initial delivery of the Bonds, the proceeds of the sale thereof shall be deposited as follows:

(a) Accrued Interest. Interest accrued on the Bonds from the dated date thereof to the date of delivery thereof shall be deposited into the Bond Fund.

(b) Refunding of Series 2007 Refunded Bonds. Such amount as shall be sufficient to accomplish the refunding of the Series 2007 Refunded Bonds shall be paid over to the Series 2007 Paying Agent and Escrow Agent (which for these purposes is one and the same) to provide for the payment, call, and redemption of the Series 2007 Refunded Bonds, in whole or in part, on or after March 1, 2017, as further specified in the Bond Purchase Agreement and/or the Escrow Agreement.

(c) Refunding of Series 2013 Refunded Certificates. Such amount as shall be sufficient to accomplish the refunding, in whole or in part, of the Series 2013 Refunded Certificates shall be paid over to the Series 2013 Trustee and Escrow Agent (which for these purposes is one and the same) and deposited into the Escrow Fund, hereby established, to provide for the payment, call, and redemption of the Series 2013 Refunded Certificates on June 1, 2018, or on any Interest Payment Date (as defined in the Series 2013 Trust Agreement) thereafter, at the redemption prices plus accrued interest to the date of redemption, as further specified in the Bond Purchase Agreement and/or the Escrow Agreement

(d) Notice of Redemption. The Municipality, subject to issuance of the Bonds for such purpose, shall call the Refunded Bonds for redemption on such date or dates as are specified in the Bond Purchase Agreement at such prices, plus premium or discount, if any, and plus accrued interest to the date of redemption, as further specified in the Bond Purchase Agreement and/or the Escrow Agreement. Upon issuance and delivery of the Bonds, notice of such redemption shall be given at the times and in the manner required by the Series 2007 Bond

Resolution and the Series 2013 Certificates Resolution authorizing and directing the issuance of the Refunded Bonds.

(e) Costs of Issuance Fund. The balance of the proceeds of the sale of the Bonds shall be deposited into the Costs of Issuance Fund and held and disbursed for the costs, fees and expenses incurred by the Municipality in connection with the authorization, issuance, sale, validation and delivery of the Bonds. Any moneys remaining in the Costs of Issuance Fund after the purpose thereof has been satisfied shall be deposited into the Bond Fund.

CONTINUING DISCLOSURE

On November 10, 1994, the Securities and Exchange Commission (the "Commission") amended Rule 15c2-12 which was originally adopted by the Commission in 1989 under the Securities Exchange Act of 1934 and set forth certain disclosure requirements relating to a primary offering of municipal securities. The amendments to Rule 15c2-12, which are effective beginning July 3, 1995, add to the existing disclosure obligations relating to municipal securities by requiring that, prior to purchasing or selling municipal securities, brokers, dealers and municipal securities dealers must reasonably determine that the issuer of such municipal securities, together with any other "obligated persons," within the meaning of Rule 15c2-12, have entered into an undertaking for the benefit of bondholders to make certain information available to bondholders on a continuing basis. The City is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12.

The Municipality has entered into a Continuing Disclosure Agreement for the benefit of holders of the Bonds wherein the Municipality has agreed to provide annually certain financial information and operating data relating to the Municipality (the "Annual Reports"), and to provide notices through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB). The Annual Reports and notices of material events will be filed by the Municipality through the EMMA system (or such other system as may be subsequently authorized by the MSRB). The specific nature of the information to be contained in the Annual Reports or the notices of material events and the other provisions of the Continuing Disclosure Agreement are set forth in "**APPENDIX E**" hereto. A failure by the Municipality to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission of the United States of America and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The Municipality's intention is to file the information required under the continuing disclosure undertaking for the Bonds in a complete and timely manner and the Municipality has hired an independent agent to monitor compliance within sixty (60) days of closing and throughout the term of the Bonds. The Municipality has also signed up for the EMMA tickler system reminders.

The Municipality is obligated to make continuing disclosure filings under prior

agreements which require annual operating information and financial statements to be filed annually, and the Series 2011 Bonds, which requires annual operating information, financial statements and a budget to be filed annually. These continuing disclosure agreements set forth various deadlines for filing financial statements. As new continuing disclosure agreements are entered into and the obligations under prior continuing disclosure agreements terminate, the Municipality's goal is to make the information required to be filed and the submission deadlines uniform to facilitate compliance.

In three of the past five years, the Municipality has failed to file Audited Financial Statements by the submission dates required by some of the continuing disclosure agreements that were in effect. In two instances, the Municipality also failed to file a "Notice of Failure to File" its Audited Financial Statements. The Annual Reports for the past five fiscal years were timely filed under most continuing disclosure agreements, but the Municipality failed to file the Annual Reports under all of the applicable CUSIPs. The 2016 Annual Report was mislabeled as the 2015 Annual Report; this error was corrected by the Municipality. There was also a late filing of the Budget Report for several fiscal years.

The Audited Financial Statements for September 30, 2017, were filed _____, 2018.

TAX EXEMPTION

Exclusion from Gross Income Pursuant to Section 103 of the Code. In the opinion of Bond Counsel, under existing statutes, regulations, rulings and decisions, as presently interpreted and construed, and based on the assumptions described below, and subject to the exceptions, conditions and limitations described below, interest on the Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code.

The Code includes certain restrictions, conditions and requirements, compliance with which subsequent to issuance of the Bonds is necessary in order that interest on the Bonds be (and continue to be) excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. In rendering its opinion, Bond Counsel will assume continuous compliance with all provisions of the Code, compliance with which subsequent to the date of issuance of the Bonds is necessary in order that interest on the Bonds be and continue to be excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. The Municipality has covenanted to comply with each such requirement, and failure of the Municipality to comply with such requirements may cause interest on the Bonds to be includable in gross income for federal income tax purposes, retroactive to the date of issuance of the Bonds.

Alternative Minimum Tax. Pursuant to Section 55 of the Code, an alternative minimum tax is imposed if a taxpayer's regular income tax for a year is less than such taxpayer's "tentative minimum tax" for such year. "Tentative minimum tax" is computed on the basis of "alternative minimum taxable income." "Alternative minimum taxable income" is taxable income determined with certain adjustments and increased by certain items of tax preference.

Among the adjustments applicable in determining “alternative minimum taxable income” for corporations (other than S corporations, regulated investment companies, real estate investment trusts and real estate mortgage investment conduits, as such terms are defined in the Code) is 75 percent of the amount by which “adjusted current earnings” exceeds the “alternative minimum taxable income” (determined without regard to the adjustments based on “adjusted current earnings” and the alternative net operating loss deduction described in Section 56 of the Code). Interest on the Bonds will be included in computing “adjusted current earnings.”

Among the items of tax preference for all taxpayers is interest on any “specified private activity bond,” reduced by any deduction (not allowable in computing the regular tax) which would have been allowable if such were included in gross income. In the opinion of Bond Counsel, the Bonds will not be “specified private activity bonds,” and accordingly interest thereon will not be treated as a specific item of tax preference for purposes of computing alternative minimum taxable income.

Notwithstanding Bond Counsel’s opinion that interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax, for taxable years beginning before January 1, 2018, such interest will be included in adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of federal alternative minimum taxable income 75 percent of the excess of such corporations’ adjusted current earnings over their federal alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses). No federal alternative minimum tax applies to corporations for taxable years beginning after December 31, 2017.

Original Issue Premium. The Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Series 2018 Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Series 2018 Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a holder’s basis in a Series 2018 Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such holder. Holders of Series 2018 Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

Original Issue Discount. To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each holder thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of Bonds is sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant rate compounded on periodic compounding (with straight-line interpolations between

compounding dates). In general, the length of the interval between periodic compounding dates cannot exceed the interval between debt service payments on such Bonds and must begin or end on the date of such payments. The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption or payment on maturity) of such Bonds. Holders of the Bonds should consult with their own tax advisors with respect to the tax consequences of ownership of the Bonds with original issue discount, including the treatment of purchasers who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds are sold to the public.

Certain Other Provisions of the Code Affecting Owners of the Bonds; Other Federal Tax Consequences of Interest on the Bonds.

Branch Profits Tax. Interest on the Bonds earned by certain foreign corporations doing business in the United States of America may be subject to the branch profits tax imposed by Section 884 of the Code.

S Corporations. Interest on the Bonds will be includable in calculating the tax on “excess net passive income” imposed by Section 1375 of the Code on certain Subchapter S corporations that have Subchapter C earnings and profits.

Social Security and Railroad Retirement Benefits. Interest on the Bonds held by persons who also receive Social Security or Railroad Retirement Benefits may have the effect of subjecting part of such benefits to federal income taxation.

Insurance Companies. Pursuant to Section 832 of the Code, deductible underwriting losses of property and casualty insurance companies will be reduced by 15 percent of the amount of interest earned on the Bonds. (If the amount of the reduction exceeds the amount otherwise deductible as losses incurred, such excess may be includable in income).

Financial Institutions. Section 265(b)(1) of the Code provides that commercial banks, thrift institutions and other financial institutions may not deduct the portion of their otherwise allowable interest expense allocable to tax-exempt obligations acquired after August 7, 1986 (other than “qualified tax-exempt obligations” as defined in Section 265(b)(3) of the Code).

The Bonds are “qualified tax-exempt obligations” pursuant to Section 265(b)(3) of the Code. Eighty percent of the interest expense deemed incurred by banks, thrift institutions and other financial institutions to purchase or to carry “qualified tax-exempt obligations” is deductible.

Bond Counsel Opinion. Bond Counsel will not address or opine with respect to any federal tax consequences arising with respect to the Bonds, other than its opinion with respect to the exclusion of interest on the Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, its opinion that the Bonds are “qualified tax-exempt obligations,” and its opinion that the Bonds are not “specified private activity bonds.” Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of

the Bonds, as well as any tax consequences arising under the laws of any state or other taxing jurisdiction.

Future Federal Legislation. Legislation which may affect the tax consequences of owning municipal bonds is constantly being considered by the United States Congress. There can be no assurance that legislation enacted after the date of issuance of the Bonds will not adversely affect the tax consequences of owning the Bonds, the exclusion of interest on the Bonds from gross income for federal income tax purposes or the market price of the Bonds.

MISCELLANEOUS AND LEGAL INFORMATION

No Default on Securities. No securities of the Municipality have been in default as to principal or interest payments or in any other material respect at any time in at least the last 25 years. No principal or interest on any obligation of the Municipality is past due.

No Bond Proceeds for Current Operating Expenses. No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current Fiscal Year) have been used for current operating expenses at any time in at least the last ten years.

Pension Plan. The Municipality has no pension plan or retirement plan for employees. All full-time employees of the Municipality are members of and contribute to the Mississippi Public Employees' Retirement System. For a discussion of the Municipality's participation in the system, see "PERS Liability" and "APPENDIX C" herein.

No-Litigation Certificate. The attorney for the Municipality will execute and deliver to the initial Purchaser of the Bonds a certificate dated as of the date of delivery that no litigation has been filed or is then pending to restrain or enjoin the issuance or delivery of the Bonds, or which would affect the provisions made for the payment of the principal of and interest on the Bonds or in any manner questioning the validity of the Bonds.

Validation. The Bonds will be submitted to validation before the Chancery Court of the County as provided by Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended.

Underwriting. The Underwriter has agreed, subject to certain conditions, to purchase all of the Bonds from the Municipality for a purchase price of \$_____, representing par amount of \$_____, less Underwriter's discount of \$_____, and [plus/minus premium/discount]. The obligation of the Underwriter to purchase the Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement to be entered into between the Underwriter and the Municipality. The initial public offering prices set forth on the cover page of this Official Statement may be changed by the Underwriter and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the offering prices set forth on the cover page of this Official Statement.

Approval of Legal Proceedings. All legal matters in connection with the authorization and issuance of the Bonds are subject to the final approval of the legality thereof by Jones Walker LLP, Bond Counsel. Copies of such opinion will be available at the time of delivery of the Bonds. No representation is made to the Registered Owners of the Bonds that Bond Counsel has

verified the accuracy, completeness or fairness of the statements in the Official Statement and Bond Counsel assumes no responsibility to the Registered Owners of the Bonds except for the matters set forth in such opinion.

Auditors. The financial statements of the Municipality as of September 30, 2017, have been audited by Watkins, Ward and Stafford, PLLC, Certified Public Accountants, independent certified public accountants, as set forth in their report thereon appearing as “APPENDIX C” hereto. Watkins, Ward and Stafford, PLLC, has not performed any procedures relating to this Official Statement.

Miscellaneous. The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the Registered Owners thereof.

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of our knowledge, information in this Official Statement does not include any untrue statement of material fact; nor does the information omit the statement of any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

A copy of this Official Statement may be obtained from:

Lesa D. Hardin
l.hardin@cityofstarkville.org
City Clerk
City Hall
110 West Main Street
Starkville, Mississippi 39759

or

Brad C. Davis, Esq.
kparsons@joneswalker.com
Jones Walker LLP
P. O. Box 427
Jackson, Mississippi 39205-0427

CITY OF STARKVILLE, MISSISSIPPI

BY: /s/ Lynn Spruill
Mayor

By: /s/ Lesa D. Hardin
City Clerk

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX A

GENERAL INFORMATION REGARDING THE MUNICIPALITY AND ITS ECONOMY

(THIS PAGE LEFT BLANK INTENTIONALLY)

GENERAL INFORMATION REGARDING THE MUNICIPALITY AND ITS ECONOMY

General Description. The Municipality, the county seat of the County, is located in the northeastern section of the County. The Municipality, originally named “Boardtown,” was renamed “Starkville” in 1834 in honor of General John Stark, a hero of the American Revolution. The Municipality is located 125 miles northeast of Jackson, the capital city of the State, 130 miles southwest of Birmingham, Alabama, 165 miles southeast of Memphis, Tennessee, and 286 miles northeast of New Orleans, Louisiana.

Mississippi State University of Agriculture and Applied Science (the “University”) is located primarily immediately adjacent to the Municipality, with only a small portion on the western edge of the University within the boundaries of the Municipality. The University is an important factor in the Municipality’s growth and development. The University was established by the Legislature in 1878 as a Land Grant Institution and is comprised of ten colleges and schools that offer 120 majors.

The County, located in the northeastern prairie soil area of the State, was named for the Indian word meaning “bloody water,” and has a land area of 459 square miles. Twenty-six of the existing eighty-two counties in the State were in existence before the County was formally organized on December 23, 1833, from a portion of the Choctaw Territory ceded by the Treaty of Dancing Rabbit Creek in 1830.

Population. The population of the Municipality and the County have been recorded as follows:

	<u>2016</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>1980</u>
The Municipality	25,570	23,888	21,869	18,474	16,139
The County	49,833	47,671	42,902	38,404	36,060

SOURCE: United States Department of Commerce, Census data at www.census.gov.

Government. The Municipality operates under a Code Charter approved in May, 1837, and is governed by the Mayor and Board of Aldermen, consisting of seven aldermen who are elected from separate precincts or wards. The Mayor is elected at-large. The Mayor and members of the Board of Aldermen are elected for four year terms which run concurrently.

The current Mayor and members of the Board of Aldermen are:

<u>Name</u>	<u>Occupation</u>	<u>Position Held Since</u>
Lynn Spruill	Mayor	2017
Ben Carver	MSU Center for Governmental Training	2009
David Little	Insurance Claims Adjuster	2013
Patrick Miller	MSU Extension Service	2017
Roy A’. Perkins	Attorney	1993
Sandra C. Sistrunk	Accountant	2017
Henry N. Vaughn, Sr.	Shipping/Receiving Supervisor	2009

Transportation. Access to the Municipality is available by several means. U. S. Highway 82 and State Highways 12, 25, 182 and 389 serve the immediate area. A number of county highways provide access to many outlying areas in the County.

Rail service is provided to the Municipality by the Kansas City Southern Railroad. Several common carriers are authorized to serve the Municipality. The nearest commercial airport is Golden Triangle Regional Airport in Lowndes County, 15 miles from the Municipality. Bryan Field is located within the County a distance of three miles from the Municipality. The nearest port is the Lowndes County Port, which has a channel depth of nine feet and is located 22 miles distant in Lowndes County on the Tennessee-Tombigbee Waterway.

Per Capita Income.

<u>Year</u>	<u>County</u>	<u>Mississippi</u>	<u>United States</u>	<u>County as % of U. S.</u>
2016	31,408	35,936	49,571	63.36%
2015	30,445	34,771	48,112	63.27%
2014	29,636	34,431	46,049	64.40%
2013	29,653	33,913	44,765	66.24%
2012	29,105	33,446	44,200	65.85%
2011	28,588	32,108	42,332	67.53%
2010	27,484	30,834	40,144	68.46%

SOURCE: United States Department of Commerce, Bureau of Economic Analysis
www.bea.gov.

Major Employers. The following is a partial listing of the Municipality's major employers, their products or services and their approximate number of employees:

<u>Employer</u>	<u>Employees</u>	<u>Product/Service</u>
Mississippi State University	4,500	Education
Sitel	900	Computer call center
Starkville School District	800	Education
Oktibbeha County Hospital	652	Health care
Wal-Mart Stores, Inc.	500	Retail
Flexsteel Industries, Inc.	370	Furniture manufacturing
Southwire Company	280	Wire and cable
City of Starkville	260	Local government
Weavexx	260	Felt
Oktibbeha County School District	215	Education
NE Miss. Coca-Cola Distributors	185	Sales and distribution
Gulf States Manufacturing	175	Commercial steel buildings
Oktibbeha County	150	Government
Garan Manufacturing Company	140	children's clothing company

Retail Sales.

State Fiscal Year <u>Ended June 30</u>	<u>Starkville</u>	<u>Oktibbeha County</u>
2016	\$531,523,901	\$793,499,323
2015	488,569,075	719,169,505
2014	457,518,130	654,401,207
2013	443,596,476	606,567,774
2012	433,467,830	599,137,317

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Sales Tax Rebates from State. The State rebates monthly 18.5% of the total State sales tax for all sales originating within the Municipality; this rebate may be used for any lawful purpose. Sales tax rebates from the State to the Municipality are as follows:

State Fiscal Year <u>Ended June 30</u>	<u>Amount</u>
2016	\$6,805,249
2015	6,350,826
2014	5,884,847
2013	5,666,165
2012	5,579,998
2011	5,283,053

SOURCE: Mississippi Department of Revenue website: <http://www.dor.ms.gov>

Employment Statistics of the County.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<i>Residence Based Amounts.</i>					
Civilian Labor Force	21,030	20,720	22,100	22,550	23,000
Unemployed	1,900	1,780	1,590	1,410	1,260
Unemployment Rate	9.0	8.6	7.2	6.3	5.5
Employed	19,130	18,940	20,510	21,140	21,740
<i>Establishment Based Amounts.</i>					
Manufacturing	1,420	1,400	1,500	1,620	1,660
Nonmanufacturing	19,430	19,690	20,290	20,410	20,600

SOURCE: Mississippi Department of Employment Security, website: www.mdes.ms.gov
Annual Averages, Labor Force and Establishment Based Employment.

Educational Facilities. Starkville Oktibbeha Consolidated School District (the “District”) is one of the largest school districts in the state, with a student enrollment of more than 4,300.

Students in preschool through grade 12 in the District are housed in seven school plants. Emerson Preschool is a licensed preschool that provides year-round comprehensive developmentally appropriate program for young children. Emerson is currently enrolling children ages 2 to 5.

Sudduth Elementary School and West Oktibbeha Elementary School serve kindergarten through grade two students. Henderson Ward Elementary School serves grades three through five. East Oktibbeha Elementary School serves kindergarten through grade five.

Armstrong Middle School serves grades six through eight and was constructed in 1976. An addition was completed in 1996 and additional renovations were completed in 1999.

Starkville High School serves grades nine through twelve and was constructed in 1961 with additions in 1976, 1984, 1987 and 1998. Also on the Starkville High School campus is Millsaps Vocational Center which was constructed in 1972 and renovated in 1998.

The administrative office for the District is located in the Greensboro Center which is the renovated former Starkville High School. The building was constructed in 1927-29 and was extensively renovated in 1987. The facility now also serves as a civic center for the Municipality and surrounding area.

Related facilities of the District include a bus transportation complex, a maintenance building, an athletic complex, three gymnasiums, a baseball field, a softball field and a newly constructed football stadium with an approximate seating capacity of 6,500.

Enrollment figures for the District for the scholastic year 2016-2017 and for the four preceding years are as follows:

<u>Scholastic Year</u>	<u>Enrollment</u>
2017-18	5,117
2016-17	5,175
2015-16*	5,152
2014-15	4,378
2013-14	4,281
2012-13	4,302

SOURCE: Mississippi Department of Education website: www.mde.k12.ms.us

*The Municipality School system merged with Oktibbeha County beginning in the 2015-2016 school year.

TAX INFORMATION

Assessed Valuation.

<u>Assessment Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Public Utility Property</u>	<u>Total</u>
2017	\$187,675,537	\$53,040,836	\$1,759,249	\$242,475,622
2016	182,103,479	52,298,211	1,839,272	236,240,962
2015	173,918,688	48,709,628	1,879,960	224,508,276
2014	171,415,194	49,386,184	1,922,383	222,723,761
2013	164,020,584	47,043,050	2,794,780	213,858,414
2012	160,234,738	49,236,924	3,229,590	212,701,252

SOURCE: Office of the City Clerk, February 2018.

The above assessed valuations are based upon the following assessment ratios: real and personal property (excluding single-family owner-occupied residential real property and motor vehicles, respectively), 15 percent of true value; single-family owner-occupied residential real property, 10 percent of true value; motor vehicles and public utility property, 30 percent of true value.

Procedure For Property Assessments. Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the county tax assessor. All taxable real property situated in the Municipality is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the county tax assessor and are delivered to the Governing Body on the first Monday in July. Thereafter, the assessments are equalized by the Governing Body and notice is given to the taxpayers that the Governing Body will meet to hear objections to the assessments. After objections are heard, the Governing Body adjusts the rolls and submits them to the Mississippi Department of Revenue, which examines them on receipt. The Mississippi Department of Revenue may then accept the rolls or, if it finds a roll incorrect in any particular, return the rolls

to the Governing Body to be corrected in accordance with the recommendations of the Mississippi Department of Revenue. If the Governing Body has any objections to the order of the Mississippi Department of Revenue, it may arrange a hearing before such agency. Otherwise, the assessment roll is finalized and submitted to the county tax collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the Mississippi Department of Revenue. With minor exceptions the property of public utilities is assessed each year by the Mississippi Department of Revenue.

Homestead Exemption. The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the state level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the type and dollar amount of property that may come within the exemption.

Those homeowners who qualify for homestead exemption and who have reached the age of 65 years on or before January 1 of the year for which the exemption is claimed, service-connected, totally disabled American veterans who were honorably discharged from military service and those classified as disabled under the federal Social Security Act are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

The tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the Mississippi Department of Revenue. No taxing unit may be reimbursed an amount in excess of 106 percent of the total net reimbursement made to such taxing unit in the next preceding year.

Tax Levy Per \$1,000 Valuation.

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<i>General Purposes.</i>						
General Revenue						
Purposes &						
General Improvements	\$25.58	\$21.98	\$21.98	\$21.98	\$21.98	\$20.00
	<u>\$25.58</u>	<u>\$21.98</u>	<u>\$21.98</u>	<u>\$21.98</u>	<u>\$21.98</u>	<u>\$20.00</u>

School Purposes.

District Maintenance	***	***	***	\$51.46	\$49.47	\$49.19
Limited Tax Note & Int.	***	***	***	2.61	<u>.12</u>	<u>.12</u>
Sinking Fund						
Millsaps Vocational Ct.	***	***	***	1.00	<u>1.50</u>	1.75
1995 Bond & Int. Skg.	***	***	***	3.23	3.39	<u>3.39</u>
Fd.						

2008 Bond & Int. Fd	***	***	***	<u>8.27</u>	<u>8.48</u>	<u>8.51</u>
	***	***	***	<u>\$66.57</u>	<u>\$62.96</u>	<u>\$62.96</u>
	***	***	***			
	***	***	***	<u>\$88.55</u>	<u>\$84.94</u>	<u>\$82.96</u>

The Municipality also levies a tax of 2 mills for the development and growth of the downtown business district.

***The Municipality School system merged with Oktibbeha County beginning in the 2015-2016 school year.

SOURCE: Office of the City Clerk, February 2018.

Ad Valorem Tax Collections.

<u>Year Ended</u> <u>September 30</u>	<u>Taxes</u> <u>Due</u>	<u>Taxes</u> <u>Collected</u> ¹	<u>Difference</u> <u>Over (Under)</u>
2017	\$6,043,043	\$6,068,549	\$25,506
2016	4,934,692	5,078,293	143,601
2015	4,642,000	4,722,698	80,698
2014	4,544,367	4,408,420	(135,947)
2013	4,083,500	4,239,600	156,100
2012	4,087,500	4,265,479	177,979

¹ Includes prior years' collections.

SOURCE: Office of the City Clerk, February 2018.

Procedure for Tax Collections. The Governing Body is required under the Act and the Bond Resolution to levy annually a special tax upon all taxable property within the Municipality sufficient to provide for the payment of the principal of and the interest on the Bonds, taking into account any moneys otherwise available for such purpose. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of one percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real property and personal property are subject to public tax sale.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, as amended, provides that upon failure of a taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal property liable for unpaid taxes at the courthouse door of such county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in such county, one of which must be the courthouse, is required. Interest, fees, costs and expenses of sale are recoverable in addition to the taxes delinquent. If sufficient personal property cannot be found, the tax collector may make a list of debts due such taxpayer by other persons and sell such debts and is further directed to sell

sufficient other properties of such taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, as amended, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in such county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The owner, or any person interested in the land sold for taxes, may redeem the land at any time within two years after the day of sale by paying all taxes, costs, interest and damages due to the chancery clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth (15th) day of February in each year with the sale of such lands to be held on the first Monday of April following said advertisement. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon lands or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

DEBT INFORMATION

Legal Debt Limit Statement.

(as of February 1, 2018)

	<u>15% Limit</u>	<u>20% Limit</u>
Authorized Debt Limit (Last Completed Assessment for Taxation - \$242,475,622)	\$36,371,343	\$48,495,124
Present Debt Subject to Debt Limits	<u>19,395,000</u>	<u>23,246,667</u>
Margin for Further Debt Under Debt Limits	\$16,976,343	\$25,248,458
Less: This Offering	\$ _____	\$ _____
Margin for Further Debt Under Debt Limits after Issuance of the Bonds	\$ _____	\$ _____

Statutory Debt Limits. The Municipality is subject to a general statutory debt limitation under which no county in the State may incur general obligation bonded indebtedness in an amount which will exceed 15 percent of the assessed value of all taxable property within such county according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of this 15 percent limitation, there may be deducted all bonds or other evidences of indebtedness issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospital, port or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15 percent limit above), may not exceed 20 percent of the assessed value of all taxable property within such county, but bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15 percent limitation and the 20 percent limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the 20 percent limitation. Industrial development revenue bonds are excluded from all limitations on indebtedness, as are contract obligations subject to annual appropriations.

Outstanding General Obligation Bonded Debt.(as of February 1, 2018)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
Parks and Recreation Bonds	3/1/07	\$3,305,000
Public Improvement Bonds	4/1/09	690,000
Public Improvement Bonds	11/1/09	1,015,000
Refunding Bonds	3/22/11	1,185,000
Utility Refunding Bonds	10/18/12	2,079,256
Utility Refunding Bonds	5/17/13	1,160,000
Public Improvement Bonds	6/1/15	2,505,000
Public Improvement Bonds 2016A	10/15/16	3,000,000
Public Improvement Bonds 2016B	10/15/16	2,400,000
Taxable Development Bonds	10/12/2017	<u>7,000,000</u>
		<u>\$23,246,667</u>

Certificates of Participation.

(as of February 1, 2018)

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount Outstanding</u>
Certificates of Participation, Series 2013 ¹	6/5/13	\$5,820,000

¹ Subject to neither the 15 percent nor the 20 percent debt limitation.

Other Debt.The Municipality has entered into agreements with the State for Capital Improvements Revolving Loans and a Water Pollution Control Revolving Loan. Such loans are subject to neither the 15 percent nor the 20 percent debt limitation. The Municipality has also entered into a number of capital leases which are subject to annual appropriations and therefore subject to neither the 15 percent nor the 20 percent debt limitation. For additional information, see “APPENDIX B” hereto.

PERS Liability.

The Municipality participates in the State of Mississippi Public Employees’ Retirement System (“PERS”), a cost-sharing, multiple-employer retirement system administered by the State of Mississippi for the benefit of its local governments and State personnel. Benefit provisions, including employer contribution rates, are established by State statute and may be amended from time to time only by the State Legislature. The percentage that an employer is required to contribute was increased from 14.26% to 15.75% effective July 1, 2013, and remains 15.75%. The adequacy of these rates is assessed annually by actuarial valuation.

In June 2012, the Government Accounting Standards Board issued Statement No. 68, Accounting and Financial Reporting for Pensions (“GASB-68”). The objective of GASB-68 is to improve accounting and financial reporting of government pensions. Also, GASB-68 improves

information provided by government employers about financial support for pensions that is provided by other entities. Requirements of GASB-68 are effective for financial statements whose fiscal year begins after June 15, 2014 (Fiscal Year 2015 for the Municipality). As a result of the implementation of GASB-68, in the financial statements of the Municipality for the fiscal year ending September 30, 2017, a net pension liability of \$29,357,963 has been recorded, which is attributable to the Municipality and the Municipality's Electric Department, based upon the reported unfunded actuarial accrued liability of \$16,623,394,000, as of June 30, 2017.

For more information on the Municipality's pension plan and obligations, see "APPENDIX B" attached hereto.

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX B

**MATURITY AND REDEMPTION SCHEDULES
FOR THE SERIES 2007 REFUNDED BONDS
AND THE SERIES 2013 REFUNDED CERTIFICATES**

(THIS PAGE LEFT BLANK INTENTIONALLY)

MATURITY AND REDEMPTION SCHEDULE FOR THE
SERIES 2007 REFUNDED BONDS

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Original Maturity Date</u>
-------------------------	----------------------	-------------------------------

The above certificates will be redeemed on _____ 1, 20____ at a redemption price of par plus unpaid accrued interest to the redemption date.

MATURITY AND REDEMPTION SCHEDULE FOR THE
SERIES 2013 REFUNDED CERTIFICATES

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Original Maturity Date</u>
-------------------------	----------------------	-------------------------------

The above certificates will be redeemed on _____ 1, 20____ at a redemption price of par plus unpaid accrued interest to the redemption date.

(THIS PAGE LEFT BLANK INTENTIONALLY)

APPENDIX C

**BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2018,
AND THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED
SEPTEMBER 30, 2017**

APPENDIX D

FORM OF THE BOND COUNSEL OPINION

(THIS PAGE LEFT BLANK INTENTIONALLY)

FORM OF BOND COUNSEL OPINION

_____, 20__

TO WHOM IT MAY CONCERN:

We have acted as bond counsel in connection with the issuance by the City of Starkville, Mississippi (the "Municipality"), of its \$_____ General Obligation Refunding Bonds, Series 2018, dated _____, 20__ (the "Bonds"), issued pursuant to the provisions of Sections 31-27-1 *et seq.*, Mississippi Code of 1972, as amended (the "Act") and the resolution adopted by the Mayor and the Board of Aldermen (the "Governing Body") of the Municipality on _____, 20__, authorizing and directing the issuance of the Bonds (the "Bond Resolution") for the purpose of refunding all or a portion of the General Obligation Parks and Recreation Bonds, Series 2007, of the Municipality in the original principal amount of \$5,375,000, dated March 1, 2007, and issued March 20, 2007, and the Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of \$6,750,000, dated and issued June 13, 2013.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation, and we express no opinion relating to the accuracy, completeness, or sufficiency of any offering material relating to the Bonds.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Bonds are valid and binding general obligations of the Municipality.
2. All taxable property in the territory of the Municipality is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds. The Municipality is required by law to include in its requested annual tax levy the principal and interest coming due on the Bonds to the extent the necessary funds are not provided from other sources.
3. Subject to the condition set forth in the immediately succeeding sentence, (a) the interest on the Bonds (including any original issue discount properly allocable to a holder thereof) is excluded from gross income for federal income tax purposes and (b) the interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax, although we observe that it is included in adjusted current earnings in calculating corporate alternative minimum taxable income for taxable years that began prior to January 1, 2018. The opinions set forth in the immediately preceding sentence are subject to the condition that the Municipality comply with all requirements of the Internal Revenue Code of 1986 (the "Code"), compliance with which subsequent to the issuance of the Bonds is necessary in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The

Municipality has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

4. The Bonds are qualified tax-exempt obligations as such term is used in Section 265(b)(3) of the Code.

5. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Under existing statutes, regulations, and court decisions as presently interpreted and construed, interest on the Bonds earned by the respective owners thereof is excludable from gross income for purposes of computing income taxes imposed by the State of Mississippi.

The rights of the holders of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

Jones Walker LLP

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(THIS PAGE LEFT BLANK INTENTIONALLY)

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of Starkville, Mississippi (the "Municipality"), in connection with the issuance of \$_____ General Obligation Refunding Bonds, Series 2018, dated _____, 20__ (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Governing Body of Trustees of the Municipality on _____, 20__ (the "Bond Resolution"). The Municipality covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Municipality for the benefit of the Bondholders and Beneficial Owners and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Bond Resolution which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Municipality pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" means a banking institution or other person or entity appointed by resolution of the Municipality as the Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Municipality and which has provided the Municipality a written acceptance of such designation.

"EMMA" means MSRB's Electronic Municipal Market Access system on the MSRB Website.

"Listed Event" means any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board established under the 1933 Securities Act, as amended, or any successor thereto.

"MSRB Website" means www.emma.msrb.org.

"National Repository" means (a) MSRB's EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

“Official Statement” means the Official Statement dated September 28, 2017, pertaining to the Bonds.

“Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Repository” means each National Repository and the State Repository.

“Required Electronic Format” means the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” means the State of Mississippi.

“State Repository” means any public or private repository or entity designated by the State as a state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. As of the date of this Disclosure Certificate, there is no State Repository.

“Submission Date” means the date on which the Annual Report is submitted to the Repositories pursuant to Section 3 of this Disclosure Certificate, which shall be a date not later than twelve months after the end of the Municipality's fiscal year (presently September 30), commencing with the report for the 2018 fiscal year.

SECTION 3. Provision of Annual Reports.

(a) The Municipality shall, or shall cause the Dissemination Agent to, not later than the Submission Date, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but no later than 30 days after the audited financial statements are completed. If the Municipality's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than fifteen (15) Business Days prior to the Submission Date, the Municipality shall provide the Annual Report to the Dissemination Agent (if other than the Municipality). If the Municipality is unable to provide to the Repositories an Annual Report by the Submission Date, the Municipality shall send a notice to each Repository or the Municipal Securities Rulemaking Board and the State Repository, if any, in substantially the form attached as “**EXHIBIT A.**”

(c) The Dissemination Agent shall:

(1) determine each year prior to the Submission Date the name and address of each National Repository and the State Repository, if any; and

(2) if the Dissemination Agent is other than the Municipality, file a report with the Municipality certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Municipality's Annual Report shall contain or include by reference (a) financial information of the type included in the subsections of the Official Statement entitled "Assessed Valuation," "Tax Levy Per \$1,000 Valuation" and "Ad Valorem Tax Collections" and (b) the audited financial statements of the Municipality for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board; provided that the audited financial statements of the Municipality may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date, but no later than 30 days after the audited financial statements are completed; Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Municipality or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Municipality shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events. The Municipality shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (7) modifications to rights of security holders, if material;

- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the securities, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Municipality;
- (13) consummation of a merger, consolidation, or acquisition involving the Municipality, the sale of all or substantially all of the assets of the Municipality other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; and
- (14) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The events listed above are quoted from the Rule and some may not be applicable to the Municipality or the Bonds.

SECTION 6. Termination of Reporting Obligation. The Municipality's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Municipality shall give notice of such termination in the manner as for a Listed Event under Section 5.

SECTION 7. Dissemination Agent. The Municipality may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Municipality pursuant to this Disclosure Certificate. From the date hereof until such time (if any) that the Municipality appoints a Dissemination Agent, or if a Dissemination Agent appointed by the Municipality resigns or is discharged and the Municipality does not appoint a successor Dissemination Agent, the Municipality, acting through the City Clerk of the Municipality, shall carry out the duties of the Dissemination Agent under this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Municipality may amend this Disclosure Certificate and any provision of this Disclosure Certificate may be waived, only if (1) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the Municipality, (2) the agreement, as amended, would have complied with the Rule at the date of sale of the Bonds, taking into account any amendments or interpretations of the Rule as well as any change in circumstance,

and (3) the Municipality receives an opinion of nationally recognized bond counsel to the effect that the amendment or waiver does not materially impair the interests of the holders and beneficial owners of the Bonds. A copy of any amendment will be filed in a timely manner with each Repository.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Municipality from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Municipality chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Municipality shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the Municipality to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Municipality to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Municipality to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Municipality agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Municipality under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Municipality, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____, 20____

CITY OF STARKVILLE, MISSISSIPPI

BY: _____
City Clerk

EXHIBIT A

**NOTICE TO REPOSITORIES OF
FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Starkville, Mississippi

Name of Bonds: \$_____ General Obligation Refunding, Series 2018

Date of Issuance: _____, 20____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-referenced Bonds as required by Section 3 of the Issuer's Continuing Disclosure Certificate. The Issuer anticipates that the Annual Report will be filed by _____, 20____.

Date: _____, 20____

CITY OF STARKVILLE, MISSISSIPPI

(seal)

BY: _____
City Clerk

ATTACHMENT C
Post Issuance Compliance Procedures

[ISSUING ENTITY]

**PROCEDURES FOR POST-ISSUANCE COMPLIANCE
TAX-EXEMPT FINANCINGS**

General

The purpose of these Procedures for Post-Issuance Compliance, Tax-Exempt Financings (the "Procedures") is to ensure that the tax-exempt financings of the _____ (the "Issuer") remain in compliance with the following federal tax requirements:

- Record retention
- Arbitrage yield restriction and rebate
- Proper and timely use of bond proceeds and bond-financed property
- Timely return filings
- Corrective actions
- Other general requirements

These Procedures apply to any obligations to which Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, and any Treasury Regulations promulgated thereunder (together, as applicable, the "Code") apply. The Issuer shall comply with any requirements set forth in the Code and subsequent rulings and other advice published by the Internal Revenue Service (the "Service" or the "IRS"), as such authorities may apply to the Issuer and its obligations.

The "Financing"

There are different types of obligations that can evidence a tax exempt loan including but not limited to bonds, notes, obligations, leases, or installment sales transactions. This document refers to "bonds" but applies to all of these types of transactions and all such debt instruments.

Responsible Parties

The Issuer designates the _____ [*Responsible Party, i.e., Mayor, Clerk, Chancery Clerk, Executive Director, Chairman, etc.*] as the primary person responsible for compliance with this policy. The _____ will coordinate efforts with the Board and parties working with the Issuer on financings and the operation of bond financed facilities to ensure that any actions taken with respect to bond financed facilities will be in compliance with the requirements of the Code and rulings of the IRS.

General Recordkeeping

The Issuer will maintain a copy of the following documents on file at all times:

- Audited Financial Statements for each years that tax-exempt bonds are outstanding
- Reports of any examinations by the IRS of the Issuer or its tax-exempt financings for, or in relation to conduit transactions with, the Issuer

With respect to each issue of tax-exempt bonds, the Issuer hereby requires, and each Issuer

agrees to retain, the following for the life of the bonds plus three years:

- Financing transcript
- Minutes and resolution(s) authorizing the issue
- Certifications of issue price
- Any formal elections (e.g., election to employ an accounting methodology other than specific tracing)
- Appraisals, demand surveys, and/or feasibility studies for bond-financed property
- Government grant documentation related to construction, renovation, or purchase of bond-financed facilities
- Bond Trustee or bank statements regarding investment and expenditures of bond funds
- Any agreement listed in "Private Business Use" (below) that relates to a bond financed facility

Separate Bank Account

Many of the Code provisions related to tax exempt bonds pertain to how bond proceeds are invested, and when such bond proceeds are spent. The Issuer will establish a separate bank account or trust fund for bond proceeds and keep records for any such account showing:

- All expenditures on the bond-financed property
- Investment of bond proceeds

Investments and Arbitrage Compliance

Many of the Code provisions deal with restrictions if bond proceeds are invested at a yield higher than the yield on the bonds. The _____ is responsible for monitoring such investments, and taking steps to ensure compliance with the yield restriction requirements of Section 148(a) of the Code and the rebate requirements of section 148(f) of the Code. Such monitoring includes, but is not limited to:

- tracking the allocation of bond proceeds to expenditures for compliance with any temporary period and spending exceptions, no less frequently than annually
- ensuring that any forms required to be filed with the IRS relating to arbitrage or rebate and any payments required pursuant thereto are filed in a timely manner
- ensuring that "fair market value" is used with respect to the purchase and sale of investments

Additionally, the _____ shall monitor compliance with rebate and yield restriction rules on an annual basis.

With respect to each issue of tax-exempt bonds, the Issuer agrees to retain the following for the life of the bonds plus three years:

- Documentation of allocations of investments of bond proceeds and calculations of investment earnings
- Documentation for investments of bond proceeds related to:
 - a) Investment contracts (e.g., guaranteed investment contracts)
 - b) Credit enhancement transactions (e.g., bond insurance contracts)

- c) Financial derivatives (e.g., swaps, caps, etc.)
 - d) Bidding of financial products
- Documentation regarding arbitrage compliance, including:
 - a) Computation of bond yield
 - b) Computation of rebate and yield reduction payments
 - c) Form 8038-T, *Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate*
 - d) Form 8038-R, *Request for Recovery of Overpayments Under Arbitrage Rebate Provisions*

Expenditures and Assets

The Code generally requires that at least 85% of bond proceeds are to be expended on the project within three years of the date the bonds are issued.

The _____ is responsible for oversight of the expenditure of bond proceeds, including monitoring whether such expenditures are made in a timely manner for the purposes for which the bonds were authorized. The _____ will ensure that all proceeds of a bond issue are allocated to expenditures by the later of 18 months after the expenditure was made or the date the project is placed in service (and in no event, later than 60 days after (i) the fifth anniversary of the issue date or (ii) retirement of the issue).

With respect to each issue of tax-exempt bonds, the Issuer shall retain the following for the life of the bonds plus three years:

- Documentation of allocations of bond proceeds to expenditures (e.g., allocation of bond proceeds for expenditures for the construction, renovation or purchase of facilities)
- Documentation of allocations of bond proceeds to bond issuance costs
- Copies of all requisitions, draw schedules, draw requests, invoices, bills, and cancelled checks related to bond proceeds spent during the construction period
- Copies of all contracts entered into for the construction, renovation or purchase of bond-financed facilities
- Records of expenditure reimbursements incurred prior to issuing bonds for bond-financed facilities
- List or schedule of all bond-financed facilities or equipment
- Depreciation schedules for bond-financed depreciable property
- Documentation of any purchase or sale of bond-financed assets

Private Business Use

The legal and tax restrictions on private use of tax-exempt bond-financed property are set forth in detail in the applicable federal tax certificate executed in connection with the issue of tax-exempt bonds.

Generally, private use results from the sale or lease of tax-exempt bond-financed property or the granting of special legal entitlements to a private business or the Federal government. Private business use can also result from contracts that permit private business activities to be conducted using bond-financed property or from research performed in a tax-exempt bond-financed facility for private parties

or the Federal government.

Any material agreement that permits a private business or the Federal government to use tax-exempt bond-financed property should be reviewed by Bond Counsel prior to execution. Annually, a general review of the use of tax-exempt bond-financed facilities should be conducted. Tax-exempt bond-financed property should not be sold or leased without first consulting with Bond Counsel.

Corrective Action

A corrective action may be required if, for example, it is determined that bond proceeds were not properly expended, the Issuer is not in compliance with the arbitrage requirements imposed by the Code or the Issuer has taken a deliberation action that results in impermissible private business use (e.g., sale or lease of bond-financed property) or entering a management contract with a private company for that facility. If the Issuer determines or is advised that corrective action is necessary with respect to any issue of its tax-exempt obligations, the Issuer will in a timely manner:

- seek to enter into a closing agreement under the Tax-Exempt Bonds Voluntary Closing Agreement Program described in Notice 2001-60 (or any successor notice thereto)
- take remedial action described under Section 1.141-12 of the Code
- take such other action as recommended by Bond Counsel

Internal Revenue Service Examination of Bonds

In the event that bonds issued by the Issuer are selected for examination by the IRS, the Issuer shall retain qualified and experienced counsel to represent the Issuer and shall work with such counsel to provide such documents and information requested by the IRS as are in the possession of the Issuer.

Policy Supplemental to all Existing Policies

This Policy is supplemental to all existing policies of the Issuer.

By: _____

Dated: _____

ATTACHMENT D
Escrow Agreement

CITY OF STARKVILLE, MISSISSIPPI

AND

_____,
_____, MISSISSIPPI

AS ESCROW AGENT

SERIES 2013 CERTIFICATES
ESCROW AGREEMENT

DATED AS OF _____, 20____

Pertaining to the Refunding of the

Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000), dated and issued June 13, 2013

THIS SERIES 2013 CERTIFICATES ESCROW AGREEMENT (the "Escrow Agreement") made and entered into as of _____, 20____, by and between the City of Starkville, Mississippi (the "Municipality"), and _____, _____, Mississippi, as Series 2013 Trustee under the hereinafter defined Series 2013 Certificates Resolution and as escrow agent under the hereinafter defined Bond Resolution and hereunder (the "Escrow Agent"):

WITNESSETH:

WHEREAS, the Municipality did heretofore issue its Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000), dated and issued June 13, 2013 (the "Series 2013 Certificates"); and

WHEREAS, the Municipality plans to refund prior to maturity certain outstanding Series 2013 Certificates (the "Series 2013 Refunded Certificates"); and

WHEREAS, the Municipality has determined that it is in the Municipality's best interest to deposit in trust with the Escrow Agent moneys sufficient to pay when due at maturity or upon redemption the principal, premium if any, and interest due and to become due on the Series 2013 Refunded Certificates to maturity or the date fixed for redemption, as the case may be; and

WHEREAS, in order to deposit such amount of moneys in trust, and to accomplish certain other purposes, the Municipality has authorized and issued \$_____ in aggregate principal amount of its General Obligation Refunding Bonds, Series 20____, dated _____, 20____ (the "Bonds"); and

WHEREAS, a portion of the proceeds derived from the sale of the Bonds, in addition to any other available funds received by the Escrow Agent, will be sufficient to pay when due all of the principal of, premium, if any, and interest on the Series 2013 Refunded Certificates upon redemption; and

WHEREAS, in order to provide for the proper and timely application of the moneys deposited in the aforesaid trust to the payment of the Series 2013 Refunded Certificates, it is necessary to enter into this Escrow Agreement with the Escrow Agent on behalf of the holders from time to time of the Series 2013 Refunded Certificates.

NOW, THEREFORE, the Municipality, in consideration of the foregoing and the mutual covenants herein set forth and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the outstanding Series 2013 Refunded Certificates according to their tenor and effect, does by these presents hereby grant, warrant, demise, release, convey, assign, transfer, alienate, pledge, set over and confirm, unto the Escrow Agent, and to its successors in the trusts hereby created, and to it and its assigns forever, all and singular, the property hereinafter described, to wit:

DIVISION I

All right, title and interest of the Municipality in and to \$_____ derived from the proceeds of the Bonds.

DIVISION II

All right, title and interest of the Municipality in and to all income and earnings derived from or accruing to the Governmental Obligation purchased from the money described in Division I hereof.

DIVISION III

Any and all other property which is by the express provisions of this Escrow Agreement required to be subject to the pledge hereof, and any additional property of every kind and nature, from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder, by the Municipality or by anyone on its behalf, and the Escrow Agent is hereby authorized to receive the same at any time as additional security hereunder.

TO HAVE AND TO HOLD, all and singular, the foregoing trust estate, including all additional property which by the terms hereof has or may become subject to the terms of this Escrow Agreement, unto the Escrow Agent, and its successors and assigns, forever in trust, however, for the benefit and security of the holders from time to time of the Series 2013 Refunded Certificates; but if the Series 2013 Refunded Certificates shall be fully and promptly paid when due, whether at maturity or upon the redemption thereof, in accordance with the terms thereof and hereof, then this Escrow Agreement shall be and become void and of no further force and effect; otherwise the same shall remain in full force and effect, upon the trusts and subject to the covenants and conditions hereinafter set forth.

ARTICLE I. DEFINITIONS

SECTION 1.01. Definitions. In addition to words and terms elsewhere defined in this Escrow Agreement, the following words and terms as used in this Escrow Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Bonds" shall mean the \$_____ General Obligation Refunding Bonds, Series 20____, of the Municipality authorized and directed to be issued in the Bond Resolution.

"Bond Counsel" shall mean Jones Walker LLP.

"Bond Purchase Agreement" shall mean the bond purchase agreement or agreements entered into between the Municipality and the Underwriter on _____, 20____, for the purchase and sale of the Bonds.

"Bond Resolution" shall mean the resolution adopted by the Governing Body on _____, 20____, authorizing and directing the Bonds.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Escrow Agent" shall mean _____, _____, Mississippi, in its capacity as Escrow Agent under this Escrow Agreement, and any successor or assign in such capacity.

"Escrow Agreement" shall mean the agreement to be entered into by and between the Municipality and the Escrow Agent, providing for the escrow and investment of a portion of the proceeds of the Bonds and other available moneys of the Municipality to effect the refunding of the Series 2013 Refunded Certificates.

"Escrow Fund" shall mean the Escrow Fund established pursuant to this Escrow Agreement to pay the principal of, redemption premiums (if any), and interest on the Series 2013 Refunded Certificates.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Governmental Obligations" shall mean the direct general obligations of the United States, or obligations the principal of and interest on which is guaranteed by the United States, and without limitation, shall include any money market type investment invested only in such obligations or one hundred percent (100%) secured by such obligations, including "SLGS," which shall mean special United States Department of the Treasury securities sold to states, municipalities and other local government bodies, for which the interest rates and maturities can be subscribed for by an issuer of municipal securities in such a manner as to comply with arbitrage restrictions imposed under the Code.

"Municipality" shall mean the City of Starkville, Mississippi.

"Series 2013 Refunded Certificates" shall mean all or any portion of the outstanding Series 2013 Certificates maturing after _____, 20____, which are to be refunded with all or a portion of the proceeds of the Bonds, as specified in the Bond Purchase Agreement.

"Series 2013 Certificates" shall mean the Certificates of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, of the Municipality in the original principal amount of Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000), dated and issued June 13, 2013, evidencing proportionate interests in a lease, including the right to receive base rental payments thereunder, to be made by the Municipality, pursuant to Section 31-8-1 *et seq.* Mississippi Code of 1972, as amended, the Series 2013 Lease, and the Series 2013 Trust Agreement.

"Series 2013 Certificates Resolution" shall mean the resolution authorizing and directing the issuance of the Series 2013 Certificates, adopted June 5, 2012, by the Governing Body.

"Series 2013 Trustee" means First National Bank of Clarksdale, Clarksdale, Mississippi, its capacity pursuant to the 2013 Trust Agreement.

"Series 2013 Trust Agreement" shall mean the Trust Indenture dated as of April 1, 2013, between the Municipality and the Trustee, providing for the execution and delivery of the Series 2013 Certificates and providing the terms of the Series 2013 Certificates.

"Trust Estate," "trust estate" or "pledged property" shall mean the property, rights and interest of the Municipality which are subject to the lien of this Escrow Agreement.

"Written Request" with respect to the Municipality shall mean a request in writing signed by the Mayor and City Clerk of the Municipality, or by any other member, officer or employee of the Municipality duly authorized and satisfactory to the Escrow Agent.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words importing the singular number shall include the plural number and vice versa unless the context shall otherwise indicate. The word "person" shall include corporations, associations, natural persons and public bodies unless the context shall otherwise indicate. Reference to a person other than a natural person shall include its successors.

ARTICLE II. ESTABLISHMENT OF FUNDS; FLOW OF FUNDS.

SECTION 2.01. Creation of Escrow Fund. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the Escrow Fund (the "Escrow Fund") to be held in the custody of the Escrow Agent separate and apart from other funds of the Municipality or the Escrow Agent. The Escrow Fund shall be administered pursuant to this Escrow Agreement.

Concurrently with the delivery of the Bonds, the Municipality herewith deposits or causes to be deposited with the Escrow Agent, and the Escrow Agent acknowledges receipt of, immediately available moneys in the amount of \$_____ from the proceeds of the Bonds, and other moneys of the Municipality, if any, to be deposited in the Escrow Fund, which amount will be sufficient to pay interest on the Series 2013 Refunded Certificates through _____ 1, 20____, and for the call and redemption of the remaining Series 2013 Refunded Certificates on or after _____ 1, 20____, in accordance with **Schedule A**. Moneys in the Escrow Fund will be invested by the Escrow Agent as detailed in Section 2.03.

Such moneys will be used to purchase Governmental Obligation to the extent feasible, the principal of and interest on which will be available to pay interest on the Series 2013 Refunded Certificates through _____ 1, 20____, and for the call and redemption of the then outstanding Series 2013 Refunded Certificates on or after _____ 1, 20____.

The Series 2013 Refunded Certificates will be called for redemption on or after _____ 1, 20____, at a redemption price of 100% of the principal amount thereof plus any unpaid accrued interest to the redemption date.

SECTION 2.02. Irrevocable Trust Created. The deposit of moneys and Governmental Obligation in the Escrow Fund shall constitute an irrevocable deposit of such moneys and Governmental Obligation and any income therefrom for the benefit of the holders of

the Series 2013 Refunded Certificates, except as provided herein with respect to amendments permitted under Section 4.01 hereof. The holders of the Series 2013 Refunded Certificates shall have an express lien on all moneys and principal of and earnings on the Governmental Obligation deposited in the Escrow Fund until applied in accordance with this Escrow Agreement. Such moneys and the Governmental Obligation and the interest thereon shall be held in trust by the Escrow Agent for the payment of the principal of, premium, if any, and interest on the Series 2013 Refunded Certificates as the same become due and payable, whether at maturity or upon the redemption thereof.

SECTION 2.03. Investment of Escrow Fund. The Escrow Agent is hereby directed to purchase the Governmental Obligation, if any, identified in **Schedule B** for the purpose of this Escrow Agreement. The Escrow Agent shall purchase the Governmental Obligation solely from the moneys deposited in the Escrow Fund. The Escrow Agent shall apply the moneys deposited in the Escrow Fund, and the Governmental Obligation purchased therewith, together with all income or earnings thereon, in accordance with the provisions hereof.

SECTION 2.04. Transfers from Escrow Fund. As the principal of the Governmental Obligation set forth in **Schedule B** (subject to the reinvestment, if any, of the principal and interest made pursuant to Section 2.05 and the application of investment earnings in accordance with Section 2.05), shall mature and be paid, and the investment income and earnings thereon are paid, the Escrow Agent shall use such funds to pay the interest on the Series 2013 Refunded Certificates coming due on and prior to _____ 1, 20____, and the principal coming due in connection with the call and redemption of the Series 2013 Refunded Certificates on or after _____ 1, 20____, as set forth in **Schedule A** hereto. Such amounts shall be applied by the Escrow Agent to the payment of all principal of, premium, if any, and interest on the Series 2013 Refunded Certificates for the equal and ratable benefit of the holders of the Series 2013 Refunded Certificates.

SECTION 2.05. Investment of Certain Moneys Remaining in Escrow Fund. Any moneys remaining from time to time in the Escrow Fund until such time that they are needed may be invested and reinvested in Governmental Obligation maturing no later than the next interest payment date or the redemption date of the Series 2013 Refunded Certificates, or for such periods or at such interest rates that the Escrow Agent shall be directed to invest by a Written Request of the Municipality. Any surplus interest income, earning or gain resulting from such reinvestment of money shall be released from the Trust Estate and transferred to the Municipality.

SECTION 2.06. Escrow Fund Constitutes Trust Fund. The Escrow Fund created and established pursuant to this Escrow Agreement shall be and constitute a trust fund for the purposes provided in this Escrow Agreement and shall be kept separate and distinct from all other funds of the Municipality and the Escrow Agent and used only for the purposes and in the manner provided in this Escrow Agreement.

SECTION 2.07. Refunding Notice, Redemption Notice and Additional Notices. The Municipality hereby directs the Escrow Agent, and the Escrow Agent hereby agrees, to redeem in accordance with the Bond Resolution and the Series 2013 Certificates Resolution all of the Series 2013 Refunded Certificates, and the Escrow Agent represents that it has caused or will cause to be prepared, published, mailed or given, as the case may be, in connection with the redemption of the Series 2013 Refunded Certificates, all notices required under the Bond

Resolution and the Series 2013 Certificates Resolution or required or recommended, from time to time, by the Securities and Exchange Commission and by the Municipal Securities Rulemaking Board, to the extent applicable.

ARTICLE III. CONCERNING THE ESCROW AGENT

SECTION 3.01. Appointment of Escrow Agent. The Municipality hereby appoints _____, _____, Mississippi, the Series 2013 Trustee under the Series 2013 Certificates Resolution, as the Escrow Agent pursuant to the provisions of this Escrow Agreement and the Bond Resolution.

SECTION 3.02. Acceptance by Escrow Agent. By execution of this Escrow Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent further represents that it has all requisite power, and has taken all corporate actions necessary to execute the trust hereby created.

SECTION 3.03. Liability of Escrow Agent. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligent action, its own negligent failure to act or its own willful misconduct.

The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Escrow Agreement. The Escrow Agent shall have no lien, security interest or right of set-off whatsoever upon any of the moneys or investments in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Escrow Agreement.

The Escrow Agent shall not be liable for the accuracy of the calculations as to the sufficiency of moneys and of the principal amount of the Governmental Obligation and the earnings thereon to pay the Series 2013 Refunded Certificates. So long as the Escrow Agent applies any moneys, the Governmental Obligation and the interest earnings therefrom to pay the Series 2013 Refunded Certificates as provided herein, and complies fully with the terms of this Escrow Agreement, the Escrow Agent shall not be liable for any deficiencies in the amounts necessary to pay the Series 2013 Refunded Certificates caused by such calculations. In the event the amount on deposit in the Escrow Fund is insufficient to redeem all of the Series 2013 Refunded Certificates at the time required hereunder, the Municipality shall, upon receipt of notice of the same from the Escrow Agent, promptly provide or cause to be provided to the Escrow Agent the amount of such deficiency.

In the event of the Escrow Agent's failure to account for any of the Governmental Obligation or moneys received by it, such Governmental Obligation or money shall be and remain the property of the Municipality in trust for the holders of the Series 2013 Refunded Certificates as herein provided.

SECTION 3.04. Permitted Acts. The Escrow Agent and its officers and directors may acquire and hold, or become the owner or pledgee of or may deal in the Bonds, and the Bonds as fully and with the same rights as if it were not the Escrow Agent.

SECTION 3.05. Receipt of Proceedings. Receipt of true and correct copies of the Bond Resolution, and the proceedings authorizing the issuance of the Bonds are hereby acknowledged by the Escrow Agent, and reference herein to or citation herein of any provision of such documents shall be deemed to incorporate the same as a part hereof in the same manner and with the same effect as if they were fully set forth herein.

ARTICLE IV. MISCELLANEOUS

SECTION 4.01. Amendments to this Escrow Agreement. This Escrow Agreement is made for the benefit of the Municipality and the holders from time to time of the Series 2013 Refunded Certificates, and it shall not be repealed, revoked, altered or amended without the written consent of the holders of 100% of the Series 2013 Refunded Certificates which have not then been paid in accordance with this Escrow Agreement. Notwithstanding the foregoing, however, the Municipality may, and the Municipality shall (upon receipt of an opinion of Bond Counsel satisfactory to the Municipality that the exclusion of interest on the Bonds and on the Series 2013 Certificates from the gross income of the holders thereof for federal income tax purposes will not be adversely affected), without the consent of or notice to such holders, enter into such agreements supplemental to this Escrow Agreement as shall not adversely affect the rights of such holders and as shall not be inconsistent with the terms and provisions of this Escrow Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Escrow Agreement;

(b) to grant to, or confer upon, the Escrow Agent for the benefit of the holders of the Series 2013 Refunded Certificates, any additional rights, remedies or powers that may lawfully be granted to, or conferred upon, such holders or the Escrow Agent; and

(c) to subject to the trust created by this Escrow Agreement additional funds, securities or properties.

The Escrow Agent shall be entitled to rely exclusively upon an unqualified opinion of Bond Counsel with respect to compliance with this Section, including the extent, if any, to which any change, modification, addition or elimination affects the rights of the holders of the Series 2013 Refunded Certificates, or that any instrument executed hereunder complies with the conditions and provisions of this Section.

SECTION 4.02. Severability. Any covenant or agreement contained in this Escrow Agreement which are determined by a court of competent jurisdiction to be contrary to law shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Escrow Agreement.

SECTION 4.03. Escrow Agreement Binding. All the covenants, promises and agreements in this Escrow Agreement contained by or on behalf of the Municipality or the

Escrow Agent shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

SECTION 4.04. Termination. This Escrow Agreement shall terminate when all transfers and payments required to be made by the Escrow Agent under the provisions hereof shall have been made.

SECTION 4.05. Governing Law. This Escrow Agreement shall be governed by the applicable law of the State of Mississippi.

SECTION 4.06. Execution by Counterparts. This Escrow Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has caused this Escrow Agreement to be executed by its duly authorized officers or officials.

Dated: _____, 20____.

CITY OF STARKVILLE, MISSISSIPPI

Lynn Spruill, Mayor

Attest:

Lesa D. Hardin, City Clerk

(seal)

IN WITNESS WHEREOF, each of the parties hereto has caused this Escrow Agreement to be executed by its duly authorized officers or officials.

Dated: _____, 20__

_____, MISSISSIPPI
AS ESCROW AGENT

By: _____

Title: _____

SCHEDULE A

**MATURITY AND REDEMPTION SCHEDULE
FOR SERIES 2013 REFUNDED CERTIFICATES**

<u>Principal</u>	<u>Interest</u>	<u>Maturity as of</u> _____
------------------	-----------------	-----------------------------

The above Series 2013 Refunded Certificates will be redeemed on or after _____ 1,
20____, at a redemption price of par plus unpaid accrued interest to the redemption date.

SCHEDULE B

DESCRIPTION OF INVESTMENTS

**U.S. TREASURY SECURITIES – [STATE AND
LOCAL GOVERNMENT SERIES]**

<u>Issue Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
_____, 20____	\$_____	_____%	_____, 20____

38. CONSIDERATION OF A RESOLUTION AUTHORIZING AND APPROVING THE ENGAGEMENT OF CERTAIN PROFESSIONALS TO ASSIST WITH THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018.

RESOLUTION AUTHORIZING AND APPROVING THE ENGAGEMENT OF CERTAIN PROFESSIONALS TO ASSIST WITH THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2018, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE APPROXIMATE PRINCIPAL AMOUNT OF NINE MILLION DOLLARS (\$9,000,000) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF SAID MUNICIPALITY'S GENERAL OBLIGATION PARKS AND RECREATION BONDS, SERIES 2007, AND SAID MUNICIPALITY'S CERTIFICATES OF PARTICIPATION (CITY OF STARKVILLE, MISSISSIPPI PUBLIC BUILDINGS PROJECT), SERIES 2013; AND FOR RELATED PURPOSES.

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

1. The Municipality has heretofore issued its \$5,375,000 General Obligation Parks and Recreation Bonds, Series 2007, dated March 1, 2007 (the "Series 2007 Bonds"), and its \$6,750,000 Certificates Of Participation (City of Starkville, Mississippi Public Buildings Project), Series 2013, dated June 13, 2013 (the "Series 2013 Certificates").
2. It is necessary, advisable, and in the best interest of the Municipality and its inhabitants to issue general obligation refunding bonds of the Municipality in the approximate principal amount of Nine Million Dollars (\$9,000,000) (the "Refunding Bonds") for the purpose of refunding all or a portion of the Series 2007 Bonds and the Series 2013 Certificates.
3. The Municipality desires to go forward with preparation for the issuance of the Refunding Bonds, and in connection therewith, desires to approve the engagement of certain professionals to assist with the issuance of the Refunding Bonds.

NOW, THEREFORE, be it resolved by the Governing Body, acting for and on behalf of the Municipality, as follows:

The Municipality and the professionals herein engaged are hereby authorized to proceed with the preparation for the issuance of the Refunding Bonds in accordance with this resolution and such other resolutions as may be subsequently adopted concerning this matter.

In connection with the engagement of Government Consultants, Inc., Madison, Mississippi, to serve as independent registered municipal advisor to the Municipality (the "Municipal Advisor"), the Mayor and/or the City Clerk are hereby authorized, acting for and on behalf of the Municipality, to execute the Independent Registered Municipal Advisor Representation letter, attached hereto as **Attachment A**.

In connection with the engagement of Stephens Inc., Little Rock, Arkansas, to serve as underwriter (the "Underwriter") for the Refunding Bonds, the Mayor and/or City Clerk are hereby authorized, acting for and on behalf of the Municipality, to execute the Municipal Securities Rulemaking Board's Rule G-17 Notice letter and the separate Independent Registered Municipal Advisor Representation letter, both attached hereto as **Attachment B**.

The Municipality hereby authorizes and approves the engagement of Jones Walker LLP, Jackson, Mississippi, to serve as bond counsel (the “Bond Counsel”) in connection with the issuance of the Refunding Bonds.

The Municipality hereby affirms the engagement of Christopher J. Latimer, Mitchell, McNutt & Sams, P.A., City Attorney for the Municipality, to serve as counsel to the Municipality (the “Counsel to the Municipality”) in connection with the issuance of the Refunding Bonds.

The Municipality by subsequent resolution shall take such actions as may be necessary to further specify the terms and conditions of the issuance and sale of the Refunding Bonds.

Following the reading of the foregoing resolution and discussion thereof, Alderman David Little moved and Alderman Sandra Sistrunk seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Alderman Ben Carver	voted: aye
Alderman David Little	voted: aye
Alderman Patrick Miller	voted: aye
Alderman Roy A'. Perkins	voted: aye
Alderwoman Sandra C. Sistrunk	voted: aye
Alderman Henry N. Vaughn, Sr.	voted: aye
Alderman Jason Walker	voted: aye

The motion having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and the resolution adopted this, the 20th day of February, 2018.

City of Starkville, Mississippi

D. Lynn Spruill, Mayor

ATTEST:

Lesa Hardin, City Clerk /CFO

(seal)

ATTACHMENT A

IRMA REPRESENTATION LETTER

FOR

THE MUNICIPAL ADVISOR



GOVERNMENT CONSULTANTS, INC.

Consulting & Municipal Advisory Firm

116 Village Boulevard
Madison, Mississippi 39110

Telephone: (601) 982-0005
Facsimile: (601) 982-2448
Email: gcms@gc-ms.net

February 20, 2018

Mayor and Board of Aldermen
City of Starkville, Mississippi
110 W Main Street
Starkville, MS 39759

Re: City of Starkville, Mississippi
Not to Exceed \$9,000,000 City of Starkville, Mississippi General Obligation Refunding Bonds,
Series 2018 (the "Bonds")
Disclosure and Engagement Letter (the "Letter")

Dear Mayor and Board of Aldermen,

We are writing you to provide certain disclosures to you as representative of the City of Starkville, Mississippi (the "Issuer") as required by the Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB" or the "Board"). Government Consultants, Inc. ("GCI" or the "Municipal Advisor") is an Independent Registered Municipal Advisor and welcomes the opportunity to provide municipal advisory services to the Issuer for the issuance of the above referenced Bonds.

Disclosures Concerning our Role as Municipal Advisor

- (i) The Municipal Advisor has a fiduciary duty to the Issuer. This is different than an underwriter, if any, who only has an obligation to deal fairly with you, as Issuer. The underwriter, if any, has financial and other interests that differ from the Issuer, unlike the Municipal Advisor who has no financial or other interests that differ from the Issuer.
- (ii) We shall provide advice concerning the structure, timing, terms, sizing and other similar matters related to any potential bond or debt issuance by the Issuer.
- (iii) We shall make a reasonable inquiry to the relevant facts that help determine what course of action to take that best suits the Issuer. A reasonable analysis will be conducted to determine that all advice and/or recommendation(s), are not based on materially inaccurate or incomplete information.
- (iv) We shall evaluate possible material risks, benefits and alternatives with the Issuer.
- (v) Our duties are limited to this transaction and the above-mentioned disclosures.

Disclosure Concerning Conflicts of Interest and Other Information

MSRB Rule G-42 requires that GCI provide in writing any disclosures relating to actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in MSRB Rule G-42, if applicable. After reasonable due diligence by GCI, there are no known material conflicts of interest that may affect GCI's ability to serve as a municipal advisor to the Issuer. If new material conflict(s) of interest occurs after the delivery and execution of this Letter, GCI will disclose all new material conflict(s) of interest to the Issuer.

In addition to providing disclosures concerning material conflict(s) of interest, MSRB Rule G-42 further requires GCI to have a fiduciary duty that includes a duty of loyalty and duty of care to the Issuer and to disclose our role and duties as a Municipal Advisor. Our primary obligation is to always act in the best interest of the Issuer.

Disclosure Concerning the Compensation

Our compensation for serving as municipal advisor will be contingent on the closing of the transaction(s) for the issuance of bonds and is based, in part, on the size of the bonds. We will negotiate with the Issuer as to compensation and will be paid upon closing of the transaction(s). The Municipal Advisor will abide by its fiduciary duty to the Issuer and provide unbiased and independent advice as required by MSRB.

Disclosure of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that all municipal advisors, including GCI, provide in writing to their clients certain legal or disciplinary events that are material to the Issuer's evaluation of GCI or the integrity of GCI management or personal. GCI believes there are no known legal or disciplinary events reported on any Form MA or Form MA-I that are material to your evaluation of GCI and there are no recent changes made on any Form MA or Form MA-I that are material to your evaluation. Any such information, whether material or not must be reported on Form MA and/or MA-I filed with the SEC, which forms are available and which can be viewed on the SEC's EDGAR system website at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

Disclosure Relating to Issuing Bonds

As with any issuance of debt, your obligation to pay principal and interest when due, will be a contractual obligation that will require you to make these payments no matter what budget restraints you encounter. The failure to pay principal and interest when due, could cause you to be in default. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market rate levels. Please be aware of the following basic aspects of the Bonds.

Fixed rate bonds are interest bearing debt securities issued by an issuer. The interest rates for these bonds are specified at closing and will not change while the bonds are outstanding. Maturity dates for fixed rate bonds are fixed at the time of the issuance and may include serial maturities (specified principal amounts are payable on the same date each year until final maturity) or a term maturity (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. Interest on fixed rate bonds is typically paid semiannually at a stated fixed rate or rates for each maturity.

General obligation bonds are debt securities to which your full faith and credit is pledged to pay principal and interest. Also, the Issuer pledges to use your ad valorem taxing power, if needed, to pay principal and interest.

This debt issuance is secured by a millage collected within the jurisdiction of the Issuer. The Issuer promises to collect the taxes and repay the debt to which it is pledged.

Additionally, the Bonds will be offered as federally tax-exempt obligations. This requires that you comply with various Internal Revenue Service ("IRS") requirements and restrictions relating to how you use and invest the proceeds of the bond issue, how you use any facilities constructed with the proceeds of the bond issue and other restrictions throughout the term of the Bonds.

It is recommended that you consult with bond counsel on such tax matters related to the issuance of the Bonds.

Disclosure Concerning the Term of Engagement

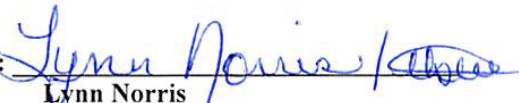
The Term of Engagement is effective on the execution date of the document that employed GCI as the Issuer's appointed municipal advisor and ends upon the closing and delivery of the Bonds. The Engagement may be terminated with or without cause by the Issuer or the Municipal Advisor. A written notice must be delivered to the other party, specifying the effective date of the termination.

Acknowledgement

We must seek your acknowledgement that you have received this Letter. Accordingly, please acknowledge receipt of this Letter on behalf of the Issuer in the space provided below. If you are not authorized to execute this Letter on behalf of the Issuer, please notify GCI immediately so the correct individual may be contacted. Please let us know if you have any questions or concerns.

Sincerely,

Government Consultants, Inc.

BY: 
Lynn Norris

RECEIPT ACKNOWLEDGEMENT

BY: _____
Signature Date

Lynn Spruill, Mayor, City of Starkville, Mississippi
Authorized Representative's Name

ATTACHMENT B

MSRB RULE G-17 NOTICE LETTER

AND

IRMA REPRESENTATION LETTER

FOR

THE UNDERWRITER

February 20, 2018

Mayor Lynn Spruill
City of Starkville
110 West Main Street
Starkville, Mississippi 39759

Attn: Lynn Spruill, Mayor

Re: Disclosures by Underwriter Pursuant to the Municipal
Advisor Rule and MSRB Rule G-17 and Rule G-23
Certificates of Participation, Series 2013
General Obligation Parks and Recreation Bonds, Series 2007

Dear Mayor Spruill:

We are writing you, as Mayor of the City of Starkville, Mississippi (the “Issuer”), to provide certain disclosures relating to the proposed issuance of General Obligation Refunding bonds, in the anticipated principal amount of approximately \$9,000,000 for the Bonds (the “Bonds”), as required by the Municipal Securities Rulemaking Board (“MSRB”). The final amount of the Bonds will be determined by market conditions at the time of sale. These disclosures are required by the Municipal Advisor Rule adopted by the Securities and Exchange Commission (SEC) (codified at 17 CFR 240.15Ba1-1 through 240.15Ba1-8) (the “MA Rule”) and MSRB Rule G-17.¹

We understand that the Issuer is aware of the MA Rule and the independent registered municipal advisor exclusion from the definition of “municipal advisor” for a firm serving as an underwriter for a particular issuance of municipal securities. Stephens has received a written representation from the City of Starkville that it has retained Government Consultants Inc. (the “Municipal Advisor”) as its municipal advisor and that it is represented by and will rely on the Municipal Advisor to provide advice on proposals from Stephens concerning the issuance of municipal securities and municipal financial products (including investments of bond proceeds and escrow investments). Please be advised that, by obtaining the forgoing representation, Stephens is not serving as a municipal advisor with respect to the services covered by this letter and therefore is not subject to the fiduciary duty established in Section 15B(c)(1) of the Securities Exchange Act.

Stephens Inc. (“Stephens”) proposes to serve as an underwriter for the bonds, and not as a financial advisor or municipal advisor, in connection with the issuance of the bonds.

¹ Please see MSRB Notice 2012-25 (May 7, 2012), Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective August 2, 2012).

As part of our services as underwriter, we may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the bonds. We are providing this letter to give you notice of potential conflicts of interest that may affect us when serving as underwriter.

The primary role of an underwriter, as distinguished from a financial advisor, is to purchase, or arrange for the placement of securities in an arm's-length commercial transaction between the issuer and the underwriter. The underwriter has financial and other interests that differ from those of the Issuer.

I. Disclosures Concerning the Underwriter's Role:

Please be notified that the MSRB requires us to provide the following disclosures:

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriter's primary role is to purchase bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriter has financial and other interests that differ from those of the Issuer.
- (iii) Unlike a municipal advisor, an underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
- (iv) The underwriter has a duty to purchase the bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the bonds to investors at prices that are fair and reasonable.²
- (v) The underwriter will review the official statement for the bonds in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.³ Stephens and its affiliates engage in a broad range of securities transactions and activities, financial services and other relationships from time to time that involve interests that differ from those of the Issuer. In the ordinary course of business, Stephens or its affiliates (i) may at any time hold long or short positions, and, through employees who do not have access to non-public information relating to this issue, may trade or otherwise effect transactions, for its own account or the accounts of customers, in securities of the Issuer or other prospective

² The duty of the underwriter to purchase bonds at a fair and reasonable price applies if and when the underwriter enters into a bond purchase agreement under which the underwriter agrees to purchase the bonds.

³ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter's obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

participants in the Issuer's project and (ii) may at any time be pursuing or providing or arranging financing or other financial or transactional services to such prospective participants or to other issuers or market participants. Stephens acts, and may act, as an underwriter, placement agent, financial or municipal adviser, investment banker, broker, dealer, investor, lender or in other capacities for other persons who wish to pursue financing transactions or engage in other transactions, and Stephens contacts, and may contact, the same potential investors or transaction counterparties on behalf of multiple persons. Stephens shall have no obligation to disclose to the Issuer any of such interests, transactions, activities or financial services.

II. Disclosures Concerning the Underwriters' Compensation:

Stephens will be compensated by a fee or an underwriting discount that will be set forth in the bond purchase agreement which will be negotiated and entered into in connection with the issuance of the bonds. The amount of the fee or discount is typically negotiated between the issuer and the underwriter before bonds are actively marketed to prospective investors. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the bonds sold. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to an issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Underwriters typically pay a percentage of the underwriting spread to sales personnel participating in selling the bonds to investors. As a result, sales personnel may experience greater motivation to sell bonds that carry a larger underwriting spread and correspondingly higher payments to such sales personnel in connection with their sales of the bonds to investors and may experience relatively less motivation to sell bonds that carry a smaller underwriting spread and correspondingly lower payments to sales personnel in connection with their sales of the bonds. These factors could affect the motivation of sales personnel to devote their time and efforts to making sales of the bonds.

III. Disclosures Concerning Fixed Rate Municipal Securities Financing:

Since Stephens expects to recommend to the Issuer a fixed rate financing structure for this transaction, attached is a description of the material financial characteristics of a fixed rate bond financing structure, as well as a description of material financial risks of the financing that are known or reasonably foreseeable at this time.

In accordance with the requirements of MSRB Rule G-17, if Stephens recommends to the Issuer other potential financing alternatives, we would expect to supplement this letter to provide disclosure of the material financial characteristics of the alternative financing structure recommended, as well as a description of material financial risks of the financing that are known or reasonably foreseeable at that time.

IV. Additional Conflicts Disclosures:

Stephens has not identified any additional potential or actual material conflicts that require disclosure.

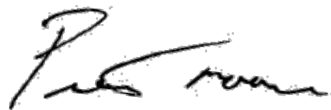
If you or any other Issuer officials have questions or concerns about the terms of this letter or these disclosures, please make those questions or concerns known immediately to me. In addition, you should consult with the Issuer's own legal, financial and/or municipal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

We are required under MSRB Rules to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect or sign and return the enclosed copy of this letter to me at our address set forth above. Depending on the structure of the transaction, or if additional potential or actual material conflicts are identified, we may be required to send additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you and the Issuer City of Starkville in connection with the issuance of the proposed bonds. Thank you.

Cordially,

A handwritten signature in black ink, appearing to read "Pierce Moore".

Pierce Moore, Banker

Acknowledgement:

Lynn Spruill, Mayor

Date: 2/20/18

CC: Lynn Norris
Nick Schorr

Fixed Rate Bonds

The following is a general description of the financial characteristics and security structures of fixed rate municipal bonds (“Fixed Rate Bonds”), as well as a general description of certain financial risks that you should consider before deciding whether to issue Fixed Rate Bonds.

Financial Characteristics

Maturity and Interest. Fixed Rate Bonds are interest-bearing debt securities issued by state and local governments, political subdivisions and agencies and authorities. Maturity dates for Fixed Rate Bonds are fixed at the time of issuance and may include serial maturities (specified principal amounts that are payable on the same date in each year until final maturity) or one or more term maturities (specified principal amounts that are payable on each term maturity date), or a combination of serial and term maturities. The final maturity date typically will range between 10 and 30 years from the date of issuance. Interest on the Fixed Rate Bonds typically is paid semiannually at a stated fixed rate or rates for each maturity date.

Redemption. Fixed Rate Bonds may be subject to optional redemption, which allows you, at your option, to redeem some or all of the bonds on a date prior to the scheduled maturity, such as in connection with the issuance of refunding bonds to take advantage of lower interest rates. Fixed Rate Bonds will be subject to optional redemption only after the passage of a specified period of time, often between five to ten years from the date of issuance, and upon payment of the redemption price set forth in the bonds, which may include a redemption premium. You will be required to send a notice of optional redemption to the holders of the bonds, usually not less than 30 days prior to the redemption date. Fixed Rate Bonds with term maturity dates also may be subject to mandatory sinking fund redemption, which requires you to redeem specified principal amounts of the bonds annually in advance of the term maturity date. The mandatory sinking fund redemption price is 100% of the principal amount of the bonds to be redeemed.

Security

Payment of principal of and interest on a municipal security, including Fixed Rate Bonds, may be backed by various types of pledges and forms of security. A general discussion of General obligation bonds is covered below.¹

General Obligation Bonds

“General obligation bonds” are debt securities to which an issuer’s full faith and credit is pledged to pay principal and interest. If you have taxing power, generally you will pledge to use your ad valorem (property) taxing power to pay principal and interest. Ad valorem taxes necessary to pay

¹ The discussion of security characteristics is limited to general obligation and revenue bond structures. This summary should be expanded and modified, as necessary, for other security structures, such as bonds that are secured by a double-barreled pledged (general obligation and revenues), annual appropriations or a moral obligation of the issuer or another government entity.

debt service on general obligation bonds may not be subject to state constitutional property tax millage limits (an unlimited tax general obligation bond). The term “limited” tax is used when such limits exist.

General obligation bonds constitute a debt and, depending on applicable state law, may require that you obtain approval by voters prior to issuance. In the event of default in required payments of interest and/or principal, the holders of general obligation bonds may have certain rights under state law to compel you to impose a tax levy.

The description above regarding “Security” is only a brief summary of certain possible security provisions for the bonds and is not intended as legal advice. You should consult with bond counsel for further information regarding the security for the bonds.

Financial Risk Considerations

Certain risks may arise in connection with your issuance of Fixed Rate Bonds, including some or all of the following:

Issuer Default Risk

You may be in default if the funds pledged to secure your bonds are not sufficient to pay debt service on the bonds when due. The consequences of a default may be serious and, depending on applicable state law and the terms of the authorizing documents, the holders of the bonds, the trustee and any credit support provider may be able to exercise a range of available remedies against you. For example, if the bonds are secured by a general obligation pledge, you may be ordered by a court to raise taxes. Other budgetary adjustments also may be necessary to enable you to provide sufficient funds to pay debt service on the bonds. If you agree in the bond issue to rate covenants, additional bond tests or other financial covenants, these may constrain your ability to operate and to issue additional debt. If you do not comply with these covenants, they can result in a default under the bond documents. If the bonds are revenue bonds, you may be required to take steps to increase the available revenues that are pledged as security for the bonds. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market interest rates. Further, if you are unable to provide sufficient funds to remedy the default, subject to applicable state law and the terms of the authorizing documents, you may find it necessary to consider available alternatives under state law, including (for some issuers) state-mandated receivership or bankruptcy. A default also may occur if you are unable to comply with covenants or other provisions agreed to in connection with the issuance of the bonds.

This description is only a brief summary of issues relating to defaults and is not intended as legal advice. You should consult with your bond counsel for further information regarding defaults and remedies.

Redemption Risk

Your ability to redeem the bonds prior to maturity may be limited, depending on the terms of any

optional redemption provisions. In the event that interest rates decline, you may be unable to take advantage of the lower interest rates which could be applied to reduce debt service.

Refinancing Risk

If your financing plan contemplates refinancing some or all of the bonds prior to maturity (for example, if you have term maturities or if you choose a shorter final maturity than might otherwise be permitted under the applicable federal tax rules), market conditions or changes in law may limit or prevent you from refinancing those bonds when required. Further, limitations in the federal tax rules on advance refunding of bonds (an advance refunding of bonds occurs when tax-exempt bonds are refunded more than 90 days prior to the date on which those bonds may be called) may restrict your ability to refund the bonds to take advantage of lower interest rates.

Reinvestment Risk

You may have proceeds of the bonds to invest prior to the time that you are able to spend those proceeds for the authorized purpose. Depending on market conditions, you may not be able to invest bond proceeds at or near the rate of interest that you are paying on the bonds, which is referred to as “negative arbitrage”.

Tax Compliance Risk

The issuance of tax-exempt bonds is subject to a number of requirements under the United States Internal Revenue Code, as enforced by the Internal Revenue Service (IRS). You must take certain steps and make certain representations prior to the issuance of tax-exempt bonds. You also must covenant to take certain additional actions after issuance of the tax-exempt bonds. A breach of your representations or your failure to comply with certain tax-related covenants may cause the interest on the bonds to become taxable retroactively to the date of issuance of the bonds, which may result in an increase in the interest rate that you pay on the bonds or the mandatory redemption of the bonds. The IRS also may audit you or your bonds, in some cases on a random basis and in other cases targeted to specific types of bond issues or tax concerns. If the bonds are declared taxable, or if you are subject to audit, the market price of your bonds may be adversely affected. Further, your ability to issue other tax-exempt bonds also may be limited.

This description of tax compliance risks is not intended as legal advice and you should consult with your bond counsel regarding tax implications of issuing the bonds.

39. CONSIDERATION OF CONDITIONS AT 100 EAST DR. MARTIN LUTHER KING, JR. DRIVE.

Mayor Spruill discussed the steps that have been taken thus far to clean up this property. The only bid received was from Bulldog Construction and was in upwards of \$350,000 with many items to be determined at time of demolition. The Mayor noted that a TIGER grant had been applied for which would help with the cleaning of this property if received and suggested waiting the results of the grant process.

40. CONSIDERATION OF A SPECIAL EVENT REQUEST BY EMILY TURNER ON BEHALF OF STARKVILLE PRIDE TO HOLD THE 2018 PRIDE PARADE AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES ON MARCH 24, 2018.

Alderman Perkins offered a motion to deny the special event request by Emily Turner on behalf of Starkville PRIDE to hold the 2018 PRIDE parade and have city participation with in-kind services on March 24, 2018.

Alderman Carver seconded the motion. The Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Nay
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Nay
Alderman Patrick Miller	Voted: Nay
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed and the permit denied.

41. CONSIDERATION OF APPROVAL OF ADVERTISEMENT FOR BIDS FOR EQUIPMENT REPLACEMENT FOR THE RUBBER TIRE EXCAVATOR FOR THE STREET DEPARTMENT.

Upon the motion of Alderman Walker, duly seconded by Alderman Little, to approve advertising for bids for equipment replacement for the rubber tire excavator for the street department. The current 2001 excavator is starting to fail and parts needed are no longer being produced. The Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

42. CONSIDERATION OF APPROVAL OF THE CITY OF STARKVILLE CLAIMS DOCKET FOR ALL DEPARTMENTS INCLUDING STARKVILLE UTILITIES DEPARTMENT AS OF FEBRUARY 14, 2018 FOR FISCAL YEAR ENDING 9/30/18, ACKNOWLEDGING THAT THE CITY CLERK HAS ATTESTED AND CERTIFIED ON THE COVER OF THE CLAIMS DOCKET THAT ALL CLAIMS ON THE DOCKET ARE TRUE, ACCURATE, LAWFUL AND PROPER TO THE BEST OF HER KNOWLEDGE, FOR PAYMENT PURSUANT TO HER DUTIES UNDER MISS. CODE SECTIONS 21-39-5, 21-39-7, 21-39-9, 21-39-17 AND 21-15-21.

Upon the motion of Alderman Walker, duly seconded by Alderman Little, to approve the City of Starkville Claims Docket for all departments including Starkville Utilities as of February 14, 2018 for fiscal year ending 9/30/18, and authorizing the City Clerk pursuant to her duties under Miss. Code Sections 21-39-5, 21-39-7, 21-39-9, 21-39-17 and

21-15-21. The Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Nay
Alderman Henry Vaughn, Sr.	Voted: Nay

Having received a majority affirmative vote, the Mayor declared the motion passed.

General Fund	001	\$ 275,958.39
Restricted Fire Fund	003	6,327.00
Airport Fund	015	6,383.99
Restricted Airport	016	56,649.92
Sanitation	022	73,205.57
Landfill	023	1,577.55
Industrial Park	303	35,457.79
Park and Recreation	375	19,635.00
Sub Total Before Utilities		\$ 475,195.21
Utilities Dept.	SED	1,770,560.75
Total Claims FY 2017	Total	\$ 2,245,755.96

43. CONSIDERATION OF THE APPROVAL OF AN EXCEPTION TO THE PARKS AND RECREATION FACILITY RENTAL EVENT HOURS POLICY FOR A WEDDING SCHEDULED FOR MARCH 24, 2018 AT THE TRAVIS OUTLAW CENTER TO END NO LATER THAN 11 P.M.

A motion was offered by Alderman Walker to approve an exception to the Park and Recreation Facility Rental Event Hours Policy for a wedding, which was scheduled prior to the adoption of the policy, March 24, 2019 at the Travis Outlaw Center to end no later than 11 p.m. The motion was seconded by Alderman Vaughn and the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Nay
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Nay
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

44. A MOTION TO ENTER INTO A CLOSED SESSION TO DETERMINE IF THERE IS PROPER CAUSE FOR EXECUTIVE SESSION.

There came for consideration the matter of entering a closed session to determine if there is a proper cause for executive session. Upon the Motion of Alderman Perkins, seconded by Alderman Little, to enter into a Closed Session to determine if there is proper cause for Executive Session, the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.
The Board entered closed session.

45. A MOTION TO ENTER EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSION OF THE JOB PERFORMANCE OF AN EMPLOYEE IN THE CODE ENFORCEMENT DIVISION OF THE COMMUNITY DEVELOPMENT DEPARTMENT.

Alderman Perkins offered a motion to enter Executive Session for the purpose of discussion of the job performance of an employee in the Code Enforcement Division of the Community Development Department on a finding that the proposed topic qualified for Executive Session. Following a second by Alderman Little, the Board voted as follows to enter Executive Session:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received an affirmative vote, the Mayor declared the motion passed.

The Mayor invited the public back in, and after allowing the public time to enter the room, made the announcement of the Board's decision to enter into Executive Session for the purpose of the job performance of an employee in the Code Enforcement Division of the Community Development Department on a finding that the proposed topic qualified for Executive Session

At this time the Board entered Executive Session.

46. A MOTION TO RETURN TO OPEN SESSION.

Upon the motion of Alderman Perkins, duly seconded by Alderman Little, to return to Open Session, the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

The Mayor invited the public back in and then announced that the Board had taken action in Executive Session.

47. A MOTION TO SUSPEND JEFF LYLES.

Alderman Perkins offered a motion, duly seconded by Alderman Little, that Jeff Lyles be suspended without pay for five working days based on him showing discourtesy to the public and conduct unbecoming a public employee in his role as Code Enforcement Officer. The Board then voted as follows:

Alderman Henry Vaughn, Sr.	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Patrick Miller	Voted: Nay
Alderman Jason Walker	Voted: Nay
Alderman David Little	Voted: Yea
Alderman Sandra Sistrunk	Voted: Nay
Alderman Ben Carver	Voted: Yea

Having received a majority affirmative vote, the Mayor declared the motion passed.

48. MOTION TO ADJOURN UNTIL MARCH 6, 2018 @ 5:30 IN THE COURT ROOM AT CITY HALL LOCATED AT 110 WEST MAIN STREET.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, for the Board of Aldermen to adjourn the meeting until March 6, 2018 @ 5:30 at 110 West Main Street in the Court Room of City Hall, the Board voted as follows:

Alderman Ben Carver	Voted: Yea
Alderman Sandra Sistrunk	Voted: Yea
Alderman David Little	Voted: Yea
Alderman Jason Walker	Voted: Yea
Alderman Patrick Miller	Voted: Yea
Alderman Roy A'. Perkins	Voted: Yea
Alderman Henry Vaughn, Sr.	Voted: Yea

Having received a majority affirmative vote, Mayor Spruill declared the motion passed.

SIGNED AND SEALED THIS THE _____ DAY OF _____ 2018.

D. LYNN SPRUILL, MAYOR

Attest:

LESA HARDIN, CITY CLERK

(SEAL)



THE CITY OF STARKVILLE

Mayor's Office

CITY HALL,

101 EAST LAMPKIN STREET

STARKVILLE, MISSISSIPPI 39759

**D. Lynn Spruill,
Mayor**

Phone: 662-323-2525, ext. 3100

Fax 662-323-4143

February 21, 2018

Ms. Lesa Hardin, City Clerk
110 West Main Street
Starkville, MS 39759

Re: Motion Veto

VIA HAND DELIVERY

Dear Ms. Hardin:

Be advised that pursuant to **MS Code section 21-3-15**, this is formal notice that I veto the Motion presented by Alderman Roy A'. Perkins, seconded by Alderman David Little, which was passed at the February 20, 2018 Recess Meeting of the Starkville Board of Aldermen the motion being:

A MOTION THAT JEFF LYLES BE SUSPENDED WITHOUT PAY FOR FIVE WORKING DAYS BASED ON HIM SHOWING DISCOURTESY TO THE PUBLIC AND CONDUCT UNBECOMING A PUBLIC EMPLOYEE IN HIS ROLE AS CODE ENFORCEMENT OFFICER.

The motion made by Alderman Ben Carver duly seconded by Alderman David Little, was put to vote with the results as follows:

Alderman Ben Carver	voted: Yea
Alderman Sandra Sistrunk	voted: Nay
Alderman David Little	voted: Yea
Alderman Jason Walker	voted: Nay
Alderman Patrick Miller	voted: Nay
Alderman Roy A'. Perkins	voted: Yea
Alderman Henry Vaughn, Sr.	voted: Yea

After receiving a majority of the affirmative vote, the Mayor declared the motion carried on February 20, 2018.

As Mayor it is my role to oversee the day to day operations of the City of Starkville. The action that is being taken is a result of an occurrence on election day, November 7, 2017. Mr. Lyles properly called me to inquire how best to handle the supporters of the election that he interpreted as being in violation of the election laws for placement of signage. His actions were based on an

www.cityofstarkville.org

incomplete understanding of the instructions I gave him. That understanding or misunderstanding was entirely my fault and as such does not deserve the excessive and disproportionate disciplinary response of a five (5) day suspension without pay. I will not stand idly by for discipline to a third party that was crafted through a misunderstanding that rests on my shoulders.

Mr. Lyles has worked faithfully for the City of Starkville for eleven (11) years with no adverse actions or reports in his file. I find the choice of disciplinary action to be excessive for what has been described by the complainant as "discourteous" behavior and which was best deserving of a counseling session well before the matter reached the highest level of punishment just short of termination.

Should you require assistance or further clarification, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Spruill", with a large, stylized initial "D" and a flourish at the end.

D. Lynn Spruill
Mayor
City of Starkville, MS