MINUTES OF THE REGULAR MEETING
OF THE MAYOR AND BOARD OF ALDERMEN
OF THE CITY OF STARKVILLE, MISSISSIPPI
March 5, 2019

Be it remembered that the Mayor and Board of Alderman met in a Regular Meeting on March 5, 2019 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 asked to add Department Business, Item XI. J. 1. "Purchase of 3 Police Vehicles" to consent.

Alderman Perkins asked to remove Department Business, Item XI. I. 1. "Facility Use Agreement with CrossPoint Church" from consent.

There being no objections to the changes, the Mayor called for a motion to approve the agenda with consent items.

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

Alderman Little offered a motion, duly seconded by Alderman Miller, to approve the March 5, 2019 Agenda as amended. 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
REGULAR MEETING OF TUESDAY, MARCH 5, 2019
5:30 P.M., COURT ROOM, CITY HALL
110 WEST MAIN STREET

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 FEBRUARY 5, 2019 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

CONSIDERATION OF THE MINUTES OF THE FEBRUARY 15, 2019 WORK SESSION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

V. ANNOUNCEMENTS AND COMMENTS

A. MAYOR'S COMMENTS:
- Acceptance of Camera Donation from Camp family
- Fire Dept and MCC Recognition

B. BOARD OF ALDERMEN COMMENTS:

VI. CITIZEN COMMENTS

VII. PUBLIC APPEARANCES

INTERVIEW OF DR. SIMON KIM FOR THE POSITION OF COMMUNITY DEVELOPMENT DIRECTOR

VIII. PUBLIC HEARING

A. SECOND PUBLIC HEARING ON THE CONSIDERATION OF AMENDING STARKVILLE ORDINANCE SECTION 82-6 RELATING TO THE DISCHARGE OF FIREARMS TO ALIGN WITH STATE STATUTE 45-9-53.

IX. MAYOR'S BUSINESS

A. CONSIDERATION OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI SEEKING APPROPRIATION FROM THE MISSISSIPPI LEGISLATURE FOR THE REMEDIATION AND CLOSING COSTS OF THE JOINT CITY OF STARKVILLE AND OKTIBBEHA COUNTY CLASS I LANDFILL.

X. BOARD BUSINESS

A. CONSIDERATION OF AMENDING STARKVILLE ORDINANCE SECTION 82-6 RELATING TO THE DISCHARGE OF FIREARMS TO ALIGN WITH STATE STATUTE 45-9-53.

B. DISCUSSION AND CONSIDERATION OF HIRING A COMMUNITY DEVELOPMENT DIRECTOR.

C. RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF NEGOTIABLE INTEREST-BEARING COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF TEN MILLION DOLLARS ($10,000,000) TO RAISE MONEY FOR IMPROVING, REPAIRING AND EXTENDING THE COMBINED WATER AND SEWER SYSTEM OF SAID MUNICIPALITY; PRESCRIBING THE FORM AND INCIDENTS OF THE SERIES 2019 BONDS;

AND PROVIDING FOR THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF SAID SYSTEM IN AMOUNTS SUFFICIENT TO PAY THE COST OF THE OPERATION AND MAINTENANCE THEREOF AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS; MAKING PROVISION FOR A BOND AND INTEREST FUND, A DEPRECIATION FUND, A CONTINGENT FUND, AN IMPROVEMENT FUND, AN OPERATION AND MAINTENANCE FUND, AND A REVENUE FUND; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE SERIES 2019 BONDS; AUTHORIZING BOND INSURANCE; AUTHORIZING A BOND RATING; OFFERING THE SERIES 2019 BONDS FOR SALE; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE SALE OF THE SERIES 2019 BONDS; ACKNOWLEDGING AND AUTHORIZING THE EXECUTION OF POST ISSUANCE COMPLIANCE PROCEDURES; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT PERTAINING TO THE SERIES 2019 BONDS; AND FOR RELATED PURPOSES.

XI. DEPARTMENT BUSINESS

A. AIRPORT

1. REQUEST APPROVAL TO LEASE 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 TO ROBERT WARD, THE SOLE BIDDER AT $2,260.00.

B. COMMUNITY DEVELOPMENT DEPARTMENT

1. CODE ENFORCEMENT

   THERE ARE NO ITEMS FOR THIS AGENDA

2. PLANNING

   a. CONSIDERATION OF A SPECIAL EVENT REQUEST BY THE GREATER STARKVILLE DEVELOPMENT PARTNERSHIP TO HOLD THE ANNUAL KING COTTON CRAWFISH BOIL TO BE HELD MAY 10, 2019 AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES.

   b. CONSIDERATION OF A SPECIAL EVENT REQUEST BY THE GREATER STARKVILLE DEVELOPMENT PARTNERSHIP TO HOLD A NEW SPECIAL EVENT CALLED TACO HOP TO BE HELD APRIL 6, 2019 AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES.

   c. CONSIDERATION OF VA 19-02 A REQUEST BY TEP STARKVILLE LLC FOR VARIANCE RELIEF FROM FRONT SETBACK REQUIREMENTS ON TWO PROPERTIES LOCATED APPROXIMATELY 360’ SOUTHEAST OF THE CENTER OF THE INTERSECTION OF HIGHWAY 12 EAST AND PAT STATION ROAD DIRECTLY EAST OF THE LA QUINTA INN IN A C-2 AND R-5 ZONING DISTRICT WITH THE PROPERTY #117-25-021.00.

   d. CONSIDERATION OF VA 19-03 A REQUEST BY CYNTHIA HOOD ON BEHALF OF DR. LINDSEY WARNER TO ALLOW FOR A SIGN WITHIN FIVE FEET OF THE PROPERTY LINE LOCATED AT 303 HOSPITAL ROAD IN A C-1 ZONE WITH THE PARCEL # 118J-00-042.00.

e. CONSIDERATION OF VA 19-04 A REQUEST BY NEIL COUVILLION FOR A VARIANCE FROM FRONT SETBACK REQUIREMENTS FOR A PROPOSED SINGLE FAMILY HOME IN A R-5 ZONE LOCATED AT 105 GILLESPIE ST. WITH THE PARCEL # 102A-00-196.00.

f. CONSIDERATION OF VA 19-05 A REQUEST BY BALTON SIGN CO. FOR VARIANCE RELIEF FROM WALL SIGN SIGNAGE SIZE REQUIREMENTS FOR A BUSINESS LOCATED AT 1301 STARK ROAD IN A C-2 WITH THE PARCEL #103H-00-016.07.

C. COURTS

THERE ARE NO ITEMS FOR THIS AGENDA

D. ENGINEERING

THERE ARE NO ITEMS FOR THIS AGENDA

E. FINANCE AND ADMINISTRATION

1. REQUEST APPROVAL OF THE CITY OF STARKVILLE CLAIMS DOCKET FOR ALL DEPARTMENTS INCLUDING STARKVILLE UTILITIES DEPARTMENT AS OF FEBRUARY 26, 2019 FOR FISCAL YEAR ENDING 9/30/19, 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.

F. FIRE DEPARTMENT

THERE ARE NO ITEMS FOR THIS AGENDA

G. HUMAN RESOURCES

1. REQUEST AUTHORIZATION TO ADVERTISE FOR A LINEMAN IN THE STARKVILLE ELECTRIC DEPARTMENT.

2. REQUEST AUTHORIZATION TO HIRE KARLI STRINGLER AS A DIGITAL MEDIA/COMMUNICATION SPECIALIST INTERN FOR THE CITY OF STARKVILLE.

H. INFORMATION TECHNOLOGY

THERE ARE NO ITEMS FOR THIS AGENDA

I. PARKS

1. CONSIDERATION OF A FACILITY USE AGREEMENT WITH CROSSPOINT CHURCH.

2. CONSIDERATION OF THE APPROVAL OF THE FACILITY USE AGREEMENT WITH SWING ELITE 11U FOR USE OF A BASEBALL FIELD.

J. POLICE DEPARTMENT

1. REQUEST AUTHORIZATION TO PURCHASE 3 NEW POLICE VEHICLES AT $82,845.00 FROM STATE CONTRACT 8200042004.

K. SANITATION DEPARTMENT

THERE ARE NO ITEMS FOR THIS AGENDA

L. UTILITIES DEPARTMENT

1. REQUEST APPROVAL OF LOWEST AND BEST QUOTE FROM CONSOLIDATED PIPE & SUPPLY, FOR THE PURCHASE OF A PIPE INSPECTION CAMERA (PUSH CAMERA) FOR THE WATER DIVISION IN THE AMOUNT OF $8,570.00.

2. REQUEST APPROVAL OF LOWEST AND BEST QUOTE FROM LEWIS ELECTRIC INC, FOR THE CONSTRUCTION OF SOUTH MONTGOMERY AT ACADEMY ROAD TRAFFIC SIGNAL RENOVATIONS IN THE AMOUNT OF $97,600.00.

3. REQUEST APPROVAL OF LOWEST AND BEST QUOTE FROM WREN BODY WORK FOR THE PURCHASE OF A TRUCK UTILITY BED FOR THE WATER DIVISION IN THE AMOUNT OF $8,467.72.

4. REQUEST APPROVAL OF LOWEST AND BEST QUOTE FROM FORTERRA PIPE & PRECAST FOR PHASE II OF THE APPROVED PLEASANT ACRES MANHOLE MATERIAL PURCHASE IN THE AMOUNT OF $5,490.98.

5. CONSIDERATION OF A RESOLUTION BY THE CITY OF STARKVILLE BOARD OF ALDERMEN TO RESCIND A JOINT SEWER BILLING AND DISCONNECTION AGREEEMENT WITH THE OKTOC COMMUNITY WATER ASSOCIATION.

XII. CLOSED DETERMINATION SESSION

XIII. OPEN SESSION

XIV. EXECUTIVE SESSION

PROSPECTIVE LITIGATION

XV. OPEN SESSION

XVI. RECESS UNTIL MARCH 19, 2019 @ 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 2 – 11:

2. CONSIDERATION OF THE MINUTES OF THE FEBRUARY 5, 2019 MEETING OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval of the minutes of the February 5, 2019 meeting of the Mayor and Board of Aldermen of the City of Starkville, MS" is enumerated, this consent item is thereby approved.

3. CONSIDERATION OF THE MINUTES OF THE FEBRUARY 15, 2019 WORK SESSION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MS.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval of the minutes of the February 15, 2019 meeting of the Mayor and Board of Aldermen of the City of Starkville, MS" is enumerated, this consent item is thereby approved.

4. CONSIDERATION OF APPROVAL TO LEASE 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 TO ROBERT WARD, THE SOLE BIDDER AT $2,260.00.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval of the Lease Agreement with Robert Ward, the sole bidder at 2,260.00 for use of the agricultural tillable land located south and west of the runway and taxiway and inside the fenced area for one year at George M. Bryan Field" is enumerated, this consent item is thereby approved.

(Lease agreement is on following page)

5. CONSIDERATION TO ADVERTISE FOR A LINEMAN IN THE STARKVILLE ELECTRIC DEPARTMENT.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval to advertise for a Lineman in the Starkville Electric Department" is enumerated, this consent item is thereby approved.

6. CONSIDERATION TO HIRE KARLI STRINGLER AS A DIGITAL MEDIA/COMMUNICATION SPECIALIST INTERN FOR THE CITY OF STARKVILLE.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "Consideration to hire Karli Stringler as a Digital Media/Communication Specialist Intern for the City of Starkville not to exceed twenty (20) hours per week at $10.00 per hour, not be eligible for benefits" is enumerated, this consent item is thereby approved.

7. CONSIDERATION OF AUTHORIZATION TO PURCHASE 3 NEW POLICE VEHICLES AT $82,845.00 FROM STATE CONTRACT 8200042004.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "Consideration to purchase 3 new police vehicles at $82,845.00 from a state contract to be paid with forfeited funds" is enumerated, this consent item is thereby approved.

8. CONSIDERATION FOR APPROVAL OF LOWEST AND BEST QUOTE FROM CONSOLIDATED PIPE & SUPPLY, FOR THE PURCHASE OF A PIPE INSPECTION CAMERA (PUSH CAMERA) FOR THE WATER DIVISION IN THE AMOUNT OF $8,570.00.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval of lowest and best quote from Consolidated Pipe & Supply, for the purchase of a pipe inspection camera (push camera) for the Water Division in the amount of $8,570.00" is enumerated, this consent item is thereby approved.

Two quotes received: Consolidated - $8,570.00 and Subsurface - $8,970.00

LEASE AGREEMENT
BETWEEN
CITY OF STARKVILLE, MISSISSIPPI
AND
ROBERT WARD

This Lease Agreement is entered into on this the 5th day of March, 2019, by and between the **CITY OF STARKVILLE, MISSISSIPPI**, "Lessor", and **ROBERT WARD**, "Lessee".

WHEREAS, Lessor owns certain real property consisting of a parcel more particularly described in Exhibit "A" located at the Starkville Airport; and

WHEREAS, Lessee desires to lease and occupy a portion of Exhibit "A" consisting of approximately 113 acres of agricultural land that is outlined by the yellow and blue boundaries in Exhibit "A" (the "Leased Premises"); and

WHEREAS, Lessor is willing to lease the Leased Premises as set forth in this Lease Agreement;

NOW, THEREFORE, the parties hereto agree as follows:

1. LEASED PREMISES. Lessor hereby leases to Lessee the Leased Premises upon all of the covenants and conditions contained herein including access thereto.

2. USE OF PREMISES.

(a) The property described above will be used for agricultural purposes only (no hunting allowed), in compliance with good and accepted agricultural practices. Additionally, as part of the consideration, Lessee will maintain existing fences and gates on the lease premises at Lessee's expense. Lessee agrees to keep all gates locked at all times and to prohibit ingress and egress, except ingress and egress necessary on the part of Lessee and his agents and employees which may be necessary for the conduct of Lessee's agricultural operations. Use of the Leased Premises shall be in full compliance with all applicable laws and regulations, including, without limitation, all regulations of the Federal Aviation Administration and the Code of Ordinances of the City of Starkville, Mississippi. Use of the Leased Premises shall not interfere with operations of the

Airport, of Lessor or with aviation activities at the Airport. Lessee shall not permit bright lights on the premises which could interfere with air traffic. Violation of any of the terms of this section may, at Lessor's option, result in termination of the lease, in addition to any and all other available remedies.

(b) The Lessee shall farm the Leased Premises in a good and husbandlike manner so as to avoid unnecessary depletion of soil fertility or infestation with noxious weeds or grasses; shall keep the drains located upon the Leased Premises free of undergrowth and functioning properly at his own expense; shall not commit waste nor permit waste to occur to the Leased Premises; shall not permit or cause any nuisance to exist on said premises; and shall maintain control over said Leased Premises in such a manner that no fire hazard will be permitted to arise. Fertilizers shall be applied according to recommendations to be made by the State Agriculture Extension Service as a result of soil tests which the Lessee agrees to obtain and submit for that purpose. Herbicide and insecticides shall be applied on crops planted or grown in accordance with recommendations made therefore by the manufacturers of such chemicals in a husbandlike manner so as to avoid waste or excessive crop damage.

(c) Lessee shall comply, at all times, with all federal, state and local rules, regulations, statutes, laws, and ordinances which may now or hereafter be applicable to the Leased Premises and which are related to hazardous or toxic materials pollution control and environmental and conservation matters including, but not limited to: (i) any laws and regulations governing water use, surface water, groundwater, wetlands, waterways and watersheds associated with the Leased Premises; (ii) any laws and regulations requiring conservation practices on the Leased Premises, regardless of whether such requirements are part of a government subsidy program; (iii) any pesticide, herbicide, fertilizer or chemical record keeping and reporting laws and regulations; (iv) any pesticide, herbicide, fertilizer or chemical applicator licensing laws and regulations; (v) the Worker Protection Standard for Agricultural Pesticides issued by the United States Environmental Protection Agency, and; (vi) the Endangered Species Act. Lessee further agrees to use only federal and state approved pesticides, fertilizers and chemicals with such use to be in strict compliance with federal, state and locally permitted concentrations and to follow all manufacturers' label instructions, agricultural use requirements, precautionary statements and warnings. Lessee will use the utmost care in the handling and application of any pesticides, fertilizers and chemicals to protect all persons upon the property, the Leased Premises and environment and will dispose of all pesticide, fertilizer and chemical containers only in a lawful manner and will not dump, bury or burn said containers, or any other debris, trash or waste upon the Leased Premises. Any fuel tanks placed on the Leased Premises by Lessee must have a top-feed only hose.

(d) Lessee shall promptly notify Lessor, in writing, if Lessee ever has knowledge of a violation of Lessee's obligations as set forth above and Lessee shall deliver a copy of any notice received from any federal, state or local governmental agency alleging the violation of any rule, regulation, statute, or law involving the Leased Premises within 5 days following receipt of such notice. In the event of any violation or petroleum spill existing upon the Leased Premises as a result of Lessee's actions or failure to act, Lessee shall immediately clean-up, remove and dispose of the materials causing the violation or spill or take such other corrective action as to bring the Leased Premises into full compliance with all applicable laws, ordinances, standards, guidelines, rules and regulations.

(e) Lessor shall have the right to take any remedial or corrective action required in connection with the Leased Premises upon Lessee's failure to promptly do so and

Lessee agrees to immediately reimburse Lessor for the costs of such remedial/corrective action. Lessee hereby agrees to hold Lessor and Lessor's agent free, harmless and indemnified from any and all claims, causes of action, suits, judgments, fines and penalties, of every nature whatsoever arising from or related to Lessee's actions or failure to act as required by the Lease (including reasonable attorney fees and court costs incurred in responding to or defending such actions and/or in enforcing this Lease). The rights, obligations and indemnifications provided by this paragraph shall survive the termination or expiration of this Lease.

3. TERM. The term of this lease shall commence on March 15, 2019, and shall continue through and expire on March 15, 2020, subject to Lessee's option to renew and hereinafter stated, unless otherwise terminated as provided herein. Lessee has an Option to Renew the lease for an additional 12-month period after the first crop has been harvested and upon terms to be negotiated between the parties. If Lessee chooses to exercise its Option to Renew, it must so notify Lessor in writing on or before January 1, 2020.

4. RENT. The rent for the subject property shall be $2,260.00 per year and shall be made in one lump sum payment on or before April 1, 2019. The parties understand and agree that the lease price recited in this Lease is based upon a lease price of Twenty Dollars ($20.00) per acre applied to approximately 113 acres of leased premises. Full payment shall be due by April 1, 2019. Rent shall be paid to Starkville Airport Manager, P.O. Box 1424, Starkville, Mississippi 39760. Time is of the essence. In the event rent is not paid within five (5) days after the due date, Lessee agrees to pay a late charge of 10% of said Rent then due.

The parties further understand and agree that it may become necessary to partially release certain acreage from the terms of this lease by reason of industrial development requirements, aircraft hangar expansion or some other acceptable purpose. As a part of the consideration, the Lessor is given the right at any time to release portions of the leased premises, in which event the leased price shall be reduced by an amount equal to $20.00 per acre for the acreage so released. In the event that Lessor selects to release acreage in any year after crop year fertilization has been applied to such released acreage, Lessor shall pay to Lessee reasonable and just compensation for damages, for loss of fertilization, or loss of growing crops, in an amount to be certified jointly to the parties by the County Agent of Oktibbeha County, Mississippi and a representative of the Extension Service of Mississippi State University.

5. UTILITIES. Lessee shall pay all utility charges incurred in the operation or occupancy of the Leased Premises.

6. MODIFICATIONS AND IMPROVEMENTS. Lessee may make reasonable modifications and improvements to the Leased Premises at its expense and consistent with its use for agricultural operations, subject to the prior written approval of Lessor, which shall not be unreasonably withheld. Such modifications and improvements shall be completed in a workmanlike manner. All permanently affixed modifications or improvements shall constitute fixtures and become the property of the Lessor, and Lessee shall not be entitled to compensation therefor, nor shall Lessee remove them from the Leased Premises except Lessee shall, upon the termination of this Lease, be required to remove all signage installed or erected by Lessee. Lessee shall repair any damage to the Leased Premises caused by its removal of signage.

Likewise, Lessee understands, agrees and binds himself that certain airport equipment is, or may be, located within the leased premises, including but not limited to PAPI lights, REIL lights, electrical boxes and transformers, electrical equipment, wind cones, segmented circles, non-directional radio beacons and equipment, runway lighting and drainage structures. Lessee undertakes and agrees that he will operate and conduct the agricultural operation on the premises in such a manner as to protect any and all such installations from damages from such agricultural operations, and will indemnify and save harmless the Lessor from any loss or expense by reason of such damage which may occur.

7. MAINTENANCE. Lessee shall maintain and keep the Leased Premises in good condition, including, without limitation, clean, landscaped and trimmed, free of hazards and waste, and in a safe condition, and shall return the Leased Premises in the same condition as at the beginning of the term and to a condition purposed for its original intent and use.

8. INSURANCE AND INDEMNITY. Lessee agrees to maintain, at its own expense, public liability insurance written by responsible insurance carriers licensed to do business in the State of Mississippi with policy limits of not less than One Million Dollars ($1,000,000.00) for any claim arising out of Lessee's use of the Leased Premises, provided that with respect to any occurrence for which liability is limited by the Mississippi Tort Claims Act, such policy may provide for policy limits not less than the amount of the statutory limitation on recoverable damages. Lessee shall maintain crop insurance on the Leased Premises with policy limits not less than One Million Dollars ($1,000,000.00). Lessee agrees to indemnify, defend and hold harmless Lessor, its representatives, elected officials, employees and agents against all claims, liabilities, damages, costs, penalties, fines and expenses, including attorneys' fees, arising from any act or omission of Lessee in connection with its use and occupancy of the Leased Premises.

9. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this lease or sublet all or any part of the Leased Premises.

10. RIGHT OF FLIGHT. There is hereby reserved to Lessor, its successors and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the premises hereby leased, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace for landing at, taking off from, or operating on the Airport.

11. OBSTRUCTIONS. Lessee by accepting this lease expressly agrees for itself, its managers, members, employees, representatives, and successors in interest, that it will not erect or permit the erection of any structure or object that would constitute an obstruction to air navigation in the opinion of Airport. In the event the aforesaid covenant is breached, Lessor reserves the right to

enter upon the land leased hereunder and to remove the offending structure or object which shall be at the expense of Lessee.

12. RIGHT TO DEVELOP AIRPORT. It is further covenanted and agreed that Lessor reserves the right to further develop or improve the Airport and all roadways, parking areas, terminal facilities, landing areas and taxiways as it may see fit, regardless of the desires or views of Lessee and without interference or hindrance.

13. RIGHT TO AMEND. In the event that the Federal Aviation Administration or its successor requires modifications or changes in this lease as a condition precedent to the granting of funds for the improvement of the Airport, Lessee agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions or requirements of this Agreement as may be reasonably required to obtain such funds; provided, however, that in no event will Lessee be required pursuant to this paragraph to agree to an increase in the rent provided for hereunder, or a change in the use of the Leased Premises, (provided it is an authorized use hereunder) to which Lessee has put the Leased Premises.

14. COVENANT AGAINST LIENS. Lessee shall not permit any lien to be attached to the Leased Premises by reason of any act or omission of Lessee.

15. HOLDOVER. In the event Lessee continues to occupy the Leased Premises after the expiration of the term of this lease, a monthly tenancy, terminable by either party on one month's notice, shall be created upon the same terms and conditions as set forth herein.

16. SUBORDINATION OF AGREEMENTS. This Lease Agreement shall be subordinate to the provisions and requirements of any existing agreement between and the United States of America, related to the development, operation or maintenance of the Airport or any grant. In the event of future agreements between the parties aforesaid, this Lease Agreement shall subordinate to the provisions and requirements of such future agreements.

17. WASTE.

(a) Lessee shall, at Lessee's own expense, comply with any and all environmental laws pertaining to health or the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986 (as amended), (hereinafter called "CERCLA"), the Resource Conservation and Recovery Act of 1976, as amended by the Used Oil Recycling Act of 1980, the Solid Waste Disposal Act and Amendments of 1980, the Hazardous and Solid Waste Disposal Act Amendments of 1984, (hereinafter called "RCRA") or any other law, rule, regulation, order or ordinance relating to the environment, hazardous or toxic materials or waste, as defined herein, or other controlled or regulated substances. Lessee shall, at Lessee's own expense, make all submissions to, provide all information to, and comply with all requirements of the Environmental Protection Agency (the "Agency") or any other agency or government division or department having jurisdiction, for purposes of compliance with all applicable environmental laws, rules, regulations, orders and ordinances. In the event the Agency or any other governmental agency, division or department should determine that a clean-up plan must be prepared and that a clean-up must be undertaken because of spills or discharges of hazardous substances or waste, as defined herein, at, on or under the leased premises which occurred during the term of this lease, Lessee, at its expense, shall cause such clean-up plan to be prepared and cause such clean-up to be undertaken. Lessee's failure to abide by the terms of this article shall be restrainable by injunction.

(b) Lessee shall provide, at its sole expense, complete and proper arrangement for the adequate sanitary handling and disposal, away from the Airport and in compliance with all applicable laws, regulations and orders, of all trash, garbage, oil, fuel products and other refuse generated due to the operation of Lessee's business. Lessee shall have sole responsibility for the proper handling, storage, transportation and removal of hazardous materials, hazardous waste, toxic waste, infectious waste and petroleum waste (all of which materials and substances shall hereinafter be referred to as "Waste") generated by Lessee or used, stored or transported for Lessee's benefit on the leased premises. Lessee shall strictly comply with all state and federal environmental laws and regulations, including proper record keeping. Lessee shall provide for the removal of all such Waste with reputable, responsible companies, and Lessee will provide to Lessor certificates of proper disposal or destruction. No such Waste shall be placed in regular trash or garbage receptacles or dumpsters. Lessee shall notify Lessor upon receipt of any environmental complaints by third parties or the release of any Waste which is caused by Lessee or a third party as soon as is reasonably possible, but in no event later than forty-eight (48) hours after receipt of the complaint or after the release of the Waste.

(c) Lessee shall maintain the real property upon which the premises are located free of contamination from any of such Waste. Lessee shall bear the expense of remediating and returning the property upon which the premises is located, or any of the real property described herein contaminated by Lessee, to its original, uncontaminated state. In the event that it becomes necessary for Lessor to enter the premises to conduct an environmental assessment, to remediate or clean up any contamination, such entry, remediation or clean-up shall not waive any rights of recovery against Lessee.

(d) The provisions of this agreement regarding Lessee's indemnification of Lessor shall apply to any claim or assertion made against Lessor and any fine, penalty, settlement or award made against Lessor arising out of or in connection with any act or omission of Lessee, its officers, employees or contractors, resulting in a violation of any federal or state environmental laws or regulations, or breaches of this Article, or resulting in the improper release, spillage, storage, disposal or transportation of Lessee's Waste. This indemnity covenant shall survive the termination or expiration of this lease.

18. DEFAULT. In the event of a default by Lessee or violation by Lessee of any terms or provisions of this Agreement, Lessor shall have all recourse against the Lessee provided by this Lease and by law, including the immediate termination of this Lease, and all remedies shall be cumulative and non-exclusive. Lessee agrees to pay Lessor's reasonable attorney's fees and expenses incurred in enforcing any of the terms and provisions of this Lease, in collecting past

due rent, and in recovering possession from Lessee, should the service of an attorney be retained by Lessor in so doing.

19. LESSOR'S LIEN A lien is hereby created in favor of the Lessor and granted by Lessee to the Lessor, as security for the payment of rental and other undertakings provided for herein, upon all of the property of Lessee which may at any time during the term of this Lease be in, about or upon the Leased Premises. Lessor is authorized to file such financing statements as are necessary to perfect the security interest herein.

20. DAMAGES TO PREMISES. Lessor shall not be liable for any damages or injury to Lessee, or any other person, or to any property, occurring on the Leased Premises or any part thereof, or in common areas of the Airport grounds, unless such damage is the sole proximate result of the negligence or unlawful act of Lessor, its agents or employees.

21. GOVERNING LAW. The laws of the State of Mississippi shall govern the interpretation, validity, performance and enforcement of this Lease. If any provision of this Lease should be held invalid or unenforceable, the validity and enforceability of the remaining provisions of this Lease shall not be affected thereby.

22. NOTICE. Written notice or other communications given by either party to the other shall be to the following addresses:

To Lessor: City of Starkville
Attention: Mayor D. Lynn Spruill
101 E. Lampkin Street
Starkville, MS 39759

To Lessee: ROBERT WARD
____
____
____

IN WITNESS WHEREOF, the parties hereto have executed this lease by representatives duly authorized so to do.

LESSEE

____
ROBERT WARD

LESSOR

CITY OF STARKVILLE, MS

BY: D Spruill
D. Lynn Spruill, Mayor

ATTEST:
Lesa Hardin
Lesa Hardin, City Clerk

STATE OF MISSISSIPPI

COUNTY OF __________

Personally appeared before the undersigned authority in and for the county and state aforesaid within my jurisdiction the within named **ROBERT WARD**, and who acknowledged that he signed and delivered the above and foregoing Lease on the day and year therein mentioned with full authority so to do.

Given under my hand and seal, this the _______ day of ________________, 2019.

____
NOTARY PUBLIC

(S E A L)

MY COMMISSION EXPIRES:

____

STATE OF MISSISSIPPI

COUNTY OF OKTIBBEHA

Personally appeared before the undersigned authority in and for the county and state aforesaid within my jurisdiction the within named **D. Lynn Spruill and Lesa Hardin**, known to me to be the Mayor and Clerk, respectively, of the City of Starkville, Mississippi, and that for an on behalf of said municipality, and as its act and deed, they signed and delivered the above and foregoing instrument for the purposes mentioned on the day and year therein mentioned, after first having been duly authorized by said municipality so to do.

Given under my hand and seal, this the 6th day of March, 2019.

V. Hampton

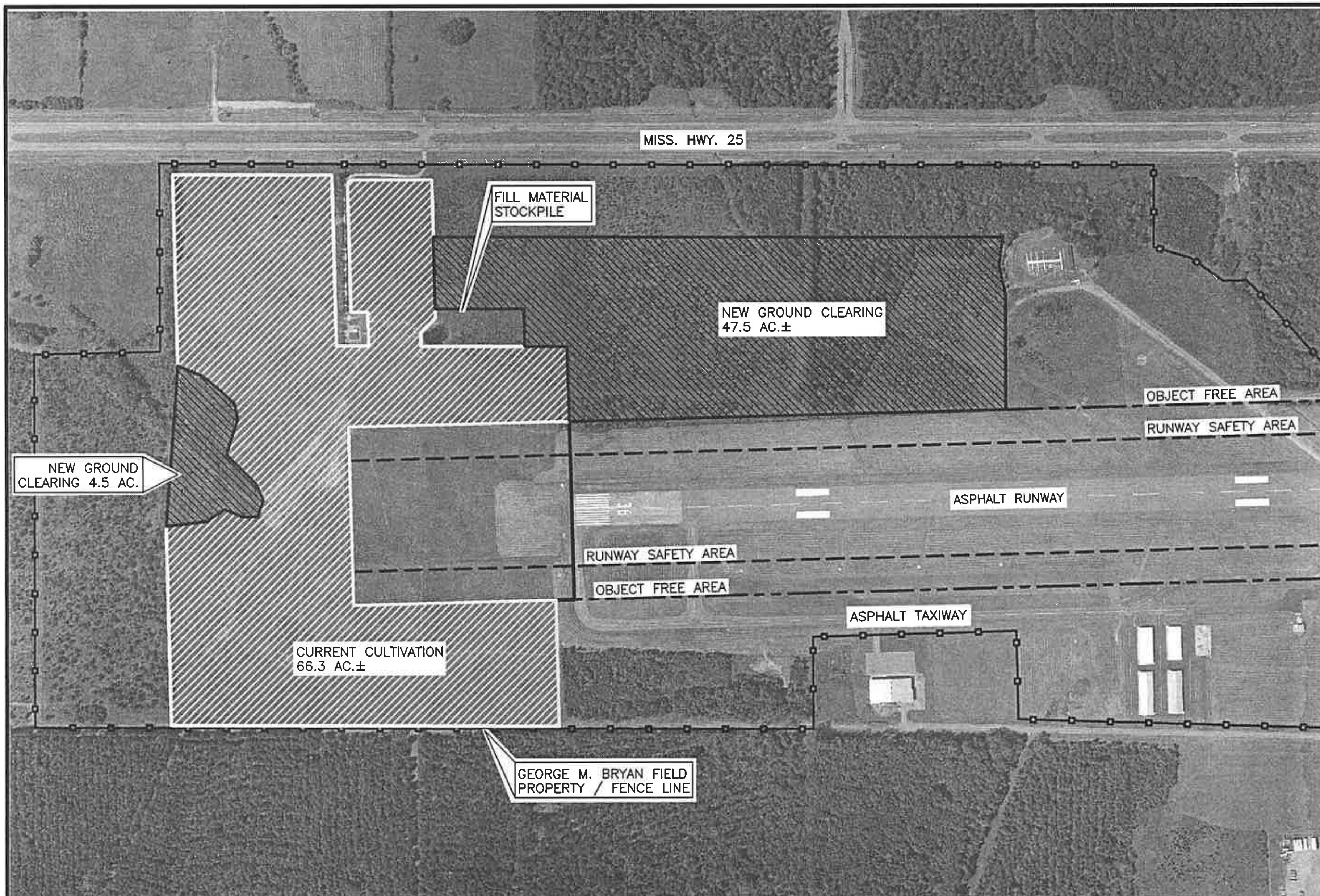
NOTARY PUBLIC

STATE OF MISSISSIPPI NOTARY PUBLIC ID # 115585 VICKIE M. HAMPTON Commission Expires March 10, 2020 WINSTON COUNTY

(S E A L)

MY COMMISSION EXPIRES:
March 10, 2020

1117928_1



CLEARWATER CONSULTANTS, INC. *STARKVILLE, MISSISSIPPI*	GEORGE M. BRYAN FIELD STARKVILLE, MISSISIPPI	SCALE: 1" = 600'± DATE: FEBRUARY 2017	LAND AVAILABLE FOR AGRICULTURAL LEASE	FIGURE 1

9. CONSIDERATION FOR APPROVAL OF LOWEST AND BEST QUOTE FROM LEWIS ELECTRIC INC, FOR THE CONSTRUCTION OF SOUTH MONTGOMERY AT ACADEMY ROAD TRAFFIC SIGNAL RENOVATIONS IN THE AMOUNT OF $97,600.00.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval of lowest and best quote from Lewis Electric INC, for the construction of South Montgomery at Academy Road traffic signal renovations in the amount of $97,600.00" is enumerated, this consent item is thereby approved.

Two quotes received: Lewis - $97,600.00 and Webster - $106,702.50

10. CONSIDERATION FOR APPROVAL OF LOWEST AND BEST QUOTE FROM WREN BODY WORK FOR THE PURCHASE OF A TRUCK UTILITY BED FOR THE WATER DIVISION IN THE AMOUNT OF $8,467.72.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval of lowest and best quote from Wren Body Work for the purchase of a truck utility bed for the Water Division in the amount of $8,467.72" is enumerated, this consent item is thereby approved.

Two quotes received: Wren - $8,467.42 and H & H - $8,900.00

11. CONSIDERATION FOR APPROVAL OF LOWEST AND BEST QUOTE FROM FORTERRA PIPE & PRECAST FOR PHASE II OF THE APPROVED PLEASANT ACRES MANHOLE MATERIAL PURCHASE IN THE AMOUNT OF $5,490.98.

Upon the motion of Alderman Little, duly seconded by Alderman Miller, and adopted by the Board to approve the March 5, 2019 Official Agenda, and to accept items for consent, whereby the "approval of lowest and best quote from Forterra Pipe & Precast for Phase II of the approved Pleasant Acres manhole material purchase in the amount of $5,490.98" is enumerated, this consent item is thereby approved.

Two quotes received: Forterra - $5,490.98 and Lee's Precast - $6,166.00

ANNOUNCEMENTS AND COMMENTS:

MAYOR'S COMMENTS:

Mayor Spruill noted the donation from former Mayor Camp and family for surveillance cameras in the Cotton District area. She also thanked the City employees that had responded to the recent tornado in Columbus.

Chief Yarbrough and Mayor Spruill recognized Patrick Warner of Meridian Community College for providing nine class hours to Starkville firefighters.

BOARD OF ALDERMEN COMMENTS:

Alderman Vaughn thanked former Mayor Camp and would like to see other businesses and citizens donate cameras.
Alderman Walker, along with the rest of the Board and Mayor, wished the Starkville High School basketball team good luck in the upcoming playoffs.

CITIZEN COMMENTS:

Alvin Turner, Ward 7, expressed concern with City property rental fees. He also does not believe there should be any discharge of firearms in any City areas.
Patti Drapala, Ward 3, objected to the purchase of a mower in the Parks Department at the last meeting and asked the Board to rescind that action.

Marcia Tolliver, 26 Choctaw Road, asked that the City take steps to address a sewer backup claim.
MYC Students, noted many topics which were discussed at the recent MYC Conference in Oxford. Alderman Vaughn accompanied the group and expressed pride in the youth that attended and represented Starkville.
Dorothy Isaac, Ward 6, expressed concern with allowing any discharge of firearms in the City limits. She also was opposed to both Special Event permits on this agenda. She would like to see more development on the west side of town.

PUBLIC APPEARANCES:

INTERVIEW OF DR. SIMON KIM FOR THE POSITION OF COMMUNITY DEVELOPMENT DIRECTOR

The Mayor began the interview by allowing the candidate an opportunity to make an opening statement, followed by questions from the Mayor and the Aldermen.

PUBLIC HEARING:

SECOND PUBLIC HEARING ON THE CONSIDERATION OF AMENDING STARKVILLE ORDINANCE SECTION 82-6 RELATING TO THE DISCHARGE OF FIREARMS TO ALIGN WITH STATE STATUTE 45-9-53.

Mayor Spruill opened the Public Hearing and called for public comments.

Alvin Turner and Dorothy Isaac spoke against the Ordinance amendment.
Ronnie Wofford spoke in favor of the Ordinance amendment.

There being no additional comments from the public or any additional comments from the Board, the Mayor announced the public hearing closed.

12. CONSIDERATION OF AMENDING STARKVILLE ORDINANCE SECTION 82-6 RELATING TO THE DISCHARGE OF FIREARMS TO ALIGN WITH STATE STATUTE 45-9-53.

Alderman Sistrunk, duly seconded by Alderman Miller, offered a motion to amend Starkville Ordinance Section 82-6 relating to the discharge of firearms to align with State Statute 45-9-53. 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.

CITY OF STARKVILLE, MISSISSIPPI
ORDINANCE SECTION 82-6
As amended March 5, 2019

Sec. 82-6: Discharge of firearms, target guns, BB guns slingshots prohibited.
It shall be unlawful for any person to shoot or discharge any target gun, BB gun, slingshot or any kind of firearm in the city other than in the defense of his home, person or property or in aid of the civil power when legally summoned to do so, except as provided in Miss. Code Ann § 45-9-53.

13. CONSIDERATION OF A RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI SEEKING APPROPRIATION FROM THE MISSISSIPPI LEGISLATURE FOR THE REMEDIATION AND CLOSING COSTS OF THE JOINT CITY OF STARKVILLE AND OKTIBBEHA COUNTY CLASS I LANDFILL.

Alderman Walker, duly seconded by Alderman Miller, offered a motion to approval a Resolution of the Mayor and Board of Aldermen of the City of Starkville, Mississippi seeking appropriation from the Mississippi Legislature for the remediation and closing costs of the joint City of Starkville and Oktibbeha County Class I Landfill. 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 on following page)

14. CONSIDERATION OF HIRING A COMMUNITY DEVELOPMENT DIRECTOR.

Alderman Walker, duly seconded by Alderman Miller, offered a motion to offer Dr. Kim the position of Community Development Director at a salary of $88,500 with the standard probation period.

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.

RESOLUTION OF THE MAYOR AND BOARD OF ALDERMEN OF THE CITY OF STARKVILLE, MISSISSIPPI SEEKING APPROPRIATION FROM THE MISSISSIPPI LEGISLATURE FOR THE REMEDIATION AND CLOSING COSTS OF THE JOINT CITY OF STARKVILLE AND OKTIBBEHA COUNTY CLASS I LANDFILL

WHEREAS, the Mayor and Board of Aldermen of the City of Starkville, Mississippi, (the "Board" of the "City"), acting for and on behalf of the City, hereby find, determine and adjudicate as follows:

1. The City of Starkville and the County of Oktibbeha have contracted to provide Class I Rubbish Landfill services to their residents since May 7, 1974.

2. The landfill contract between the parties was last amended on May 20, 1982 and has not be modified since that date by action from either party.

3. The City of Starkville has been operating and managing the landfill since the contract was amended in 1982 and has shared the costs of the operations and capital expenditures with the County for that same period of time.

4. Within the past three (3) years, the landfill has been determined by the Mississippi Department of Environmental Quality (MDEQ) to be out of compliance in the areas of Cell 1 and Cell 5. Neither the City nor the County have the requisite equipment or personnel to complete such a complex design and remediation project to bring the landfill back into compliance.

5. The City and County have determined there is a need of professional engineering expertise to include planning and construction drawings and construction management to address those deficiencies and return the landfill to a state of compliance. The actual construction work will then need to be bid out and completed by a professional construction company with the equipment and personnel to achieve the technical engineering designs necessary to meet MDEQ regulations.

6. Upon notice of the issues, and with the recent change in administration occurring in 2017, the City of Starkville, along with the concurrence of the County of Oktibbeha, have determined that until compliance can be established temporary closure of the landfill is prudent and warranted with possible permanent closure to be determined.

7. In an effort to respond to the deficiencies, the City has engaged Neel-Schaffer to evaluate, advise and assist with a compliance plan to ensure that the landfill comes into compliance in a timely manner. The intent is meeting the regulations necessary to comply and then determining the future of the landfill in accordance with MDEQ restrictions and the needs of the community.

8. In addressing the noncompliance, the City of Starkville and Oktibbeha County

have already incurred appraisal costs, engineering costs, legal costs, and land purchase costs that exceed $110,000.00.

9. The projected costs for the actual remediation work have been estimated at one million five hundred thousand ($1,500,000) that would be needed to complete the project and place the Class I Rubbish Landfill into compliance with MDEQ regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1. The City of Starkville, with the concurrence of Oktibbeha County, seek one million six hundred thousand ($1,600,000) in appropriations by the Mississippi Legislature from any allowable funding source, for the sole purpose of bringing the Class I Rubbish Landfill into compliance with the MDEQ regulations and providing a path forward for the best manner of supporting the residents of the city and county.

Alderman Jason Walker moved and Alderman Patrick Miller seconded the motion to adopt the foregoing resolution, and the question being put to a vote, the result was as follows:

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

The measure having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and adopted this day of March 5, 2019.

D. Lynn Spruill
Mayor, City of Starkville, Mississippi

Attested:

Lesa Hardin

Lesa Hardin, City Clerk / CFO

CITY OF STARKVILLE
STATE OF MISSISSIPPI

15. CONSIDERATION OF A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF NEGOTIABLE INTEREST-BEARING COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF TEN MILLION DOLLARS ($10,000,000) TO RAISE MONEY FOR IMPROVING, REPAIRING AND EXTENDING THE COMBINED WATER AND SEWER SYSTEM OF SAID MUNICIPALITY; PRESCRIBING THE FORM AND INCIDENTS OF THE SERIES 2019 BONDS; AND PROVIDING FOR THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF SAID SYSTEM IN AMOUNTS SUFFICIENT TO PAY THE COST OF THE OPERATION AND MAINTENANCE THEREOF AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS; MAKING PROVISION FOR A BOND AND INTEREST FUND, A DEPRECIATION FUND, A CONTINGENT FUND, AN IMPROVEMENT FUND, AN OPERATION AND MAINTENANCE FUND, AND A REVENUE FUND; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE SERIES 2019 BONDS; AUTHORIZING BOND INSURANCE; AUTHORIZING A BOND RATING; OFFERING THE SERIES 2019 BONDS FOR SALE; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE SALE OF THE SERIES 2019 BONDS; ACKNOWLEDGING AND AUTHORIZING THE EXECUTION OF POST ISSUANCE COMPLIANCE PROCEDURES; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT PERTAINING TO THE SERIES 2019 BONDS; AND FOR RELATED PURPOSES.

Alderman Walker, duly seconded by Alderman Sistrunk, offered a motion to approve a Resolution Authorizing and Directing the Issuance of Negotiable Interest-Bearing Combined Water and Sewer System Revenue Bonds, Series 2019, of the City of Starkville, Mississippi, in the principal amount of ten million dollars ($10,000,000) to raise money for improving, repairing and extending the combined water and sewer system of said municipality; prescribing the form and incidents of the series 2019 bonds; and providing for the collection, segregation, and distribution of the revenues to be derived from the operation of said system in amounts sufficient to pay the cost of the operation and maintenance thereof and to pay the principal of and interest on the series 2019 bonds; making provision for a bond and interest fund, a depreciation fund, a contingent fund, an improvement fund, an operation and maintenance fund, and a revenue fund; making provision for maintaining the tax-exempt status of the series 2019 bonds; authorizing bond insurance; authorizing a bond rating; offering the series 2019 bonds for sale; approving and authorizing the distribution of a preliminary official statement and authorizing the execution and distribution of an official statement pertaining to the sale of the series 2019 bonds; acknowledging and authorizing the execution of post issuance compliance procedures; authorizing the execution of a continuing disclosure agreement pertaining to the series 2019 bonds; and for related purposes. 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: Yea

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

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF NEGOTIABLE INTEREST-BEARING COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019, OF THE CITY OF STARKVILLE, MISSISSIPPI, IN THE PRINCIPAL AMOUNT OF TEN MILLION DOLLARS ($10,000,000) TO RAISE MONEY FOR IMPROVING, REPAIRING AND EXTENDING THE COMBINED WATER AND SEWER SYSTEM OF SAID MUNICIPALITY; PRESCRIBING THE FORM AND INCIDENTS OF THE SERIES 2019 BONDS; AND PROVIDING FOR THE COLLECTION, SEGREGATION, AND DISTRIBUTION OF THE REVENUES TO BE DERIVED FROM THE OPERATION OF SAID SYSTEM IN AMOUNTS SUFFICIENT TO PAY THE COST OF THE OPERATION AND MAINTENANCE THEREOF AND TO PAY THE PRINCIPAL OF AND INTEREST ON THE SERIES 2019 BONDS; MAKING PROVISION FOR A BOND AND INTEREST FUND, A DEPRECIATION FUND, A CONTINGENT FUND, AN IMPROVEMENT FUND, AN OPERATION AND MAINTENANCE FUND, AND A REVENUE FUND; MAKING PROVISION FOR MAINTAINING THE TAX-EXEMPT STATUS OF THE SERIES 2019 BONDS; AUTHORIZING BOND INSURANCE; AUTHORIZING A BOND RATING; OFFERING THE SERIES 2019 BONDS FOR SALE; APPROVING AND AUTHORIZING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE SALE OF THE SERIES 2019 BONDS; ACKNOWLEDGING AND AUTHORIZING THE EXECUTION OF POST ISSUANCE COMPLIANCE PROCEDURES; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT PERTAINING TO THE SERIES 2019 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. (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 21-27-11 *et seq.*, Mississippi Code of 1972, as amended.

"Additional Bonds" shall mean Bonds issued on a parity of lien with the Series 2019 Bonds pursuant to the requirements of this Bond Resolution.

"Additional Bonds Resolution" shall mean any resolution of the Governing Body authorizing and directing the issuance of Additional Bonds.

"Annual Debt Service Requirement" shall mean for any Fiscal Year, the sum of the following with respect to all Bonds Outstanding: (a) all amounts required to pay principal (at maturity or upon mandatory redemption other than mandatory sinking fund redemption payments), (b) the amount of any mandatory sinking fund requirement (including for the Fiscal

Year in which such Bonds shall be redeemed from the sinking fund only such amount as was not required to be funded prior to such Fiscal Year), and (c) interest due on all Bonds Outstanding.

“Authorized Purpose” shall mean improving, repairing, and extending the System.

"Bond" or "Bonds" shall mean the Series 2019 Bonds and any Additional Bonds hereafter issued under the terms, limitations, and conditions provided in this Bond Resolution.

"Bond and Interest Fund" shall mean the Bond and Interest Fund authorized, established, designated, and provided for in Section 5.03(a)(2) this Bond Resolution.

"Bond Counsel" shall mean Jones Walker LLP, Jackson, Mississippi, or any other Nationally Recognized Bond Counsel.

"Bond Insurance Policy" shall mean the insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2019 Bonds when due.

"Bond Insurer" shall mean such municipal bond insurer, if any, as is approved for such purpose by both the Purchaser and by the Mayor on behalf of the Municipality, or any successor thereto or assignee thereof.

"Bond Resolution" shall mean this resolution authorizing and directing the issuance of the Series 2019 Bonds.

"Bond Year" shall mean the period beginning on the Closing Date and ending on the last day of September next occurring and each one-year period thereafter during which any Series 2019 Bonds remain Outstanding; provided, however, that the final Bond Year shall end on the date the Series 2019 Bonds are retired.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to this Bond Resolution.

"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.

"City Clerk" shall mean the City Clerk of the Municipality.

"Closing Date" with respect to the Series 2019 Bonds shall mean the date of issuance and delivery of the Series 2019 Bonds to the Purchaser, [and with respect to any Additional Bonds, shall mean the date of issuance and delivery of such Additional Bonds to the purchaser thereof.]

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented, or superseded, and the Treasury Regulations promulgated thereunder.

"Consulting Engineer" shall mean Volkert, Inc., Jackson, Mississippi, a competent engineering firm, engaged by the Municipality to study the System in order to determine the nature and extent of the Project and to make estimates of the cost thereof.

"Contingent Fund" shall mean the Combined Water and Sewer System Contingent Fund authorized, established, designated, and provided for in Section 5.03(a)(4) of this Bond Resolution.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement to be executed by the Municipality and dated the closing date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Current Debt Service Account" shall mean the Current Debt Service Account authorized, established, designated, and provided for in Section 5.03(a)(2)(A) of this Bond Resolution.

"Current Expenses" shall mean the reasonable and necessary current expenses of maintenance, repair, and operation of the System, and shall include, without limiting the generality of the foregoing, expenses not annually recurring, premiums for insurance, administrative, and engineering expenses relating to maintenance, repair, and operation, fees and expenses of the Paying Agent, legal and financial advisory expenses, taxes lawfully imposed on the System, reasonable payments to pension or retirement funds for employees of the System, and any other expenses of the System required or permitted to be paid by the Municipality under the provisions of this Bond Resolution, or by law, but shall not include any allowance for depreciation or deposits or transfers to the credit of the Bond and Interest Fund, the Depreciation Fund, or the Contingent Fund.

"Debt Service Reserve Account" shall mean the Debt Service Reserve Account authorized, established, designated, and provided for in Section 5.03(a)(2)(B) of this Bond Resolution.

"Defaulted Interest" shall mean interest on any Bond which is not paid on the date due.

"Defaulted Principal" shall mean principal of any Bond which is not paid on the date due.

"Depreciation Fund" shall mean the Combined Water and Sewer System Depreciation Fund authorized, established, designated, and provided for in Section 5.03(a)(3) of this Bond Resolution.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Event of Default" shall mean an event of default as described in Section 8.01 of this Bond Resolution.

"Fiscal Year" with respect to the Municipality shall mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Improvement Fund" shall mean the Combined Water and Sewer System Improvement Fund authorized, established, designated, and provided for in Section 6.01 of this Bond Resolution.

“Loans” shall mean any loans for the System existing on the date of issuance of the Series 2019 Bonds resulting from any loan agreements entered into by the Municipality under any loan programs of the State of Mississippi.

"Maximum Annual Debt Service Requirement" shall mean, at any given time of determination with respect to the Bonds, or any series thereof, an amount equal to the maximum Annual Debt Service Requirement coming due thereon for the then current or any future Fiscal Year.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

“Municipal Advisor” shall mean Government Consultants, Inc., Madison, Mississippi.

"Nationally Recognized Bond Counsel" shall mean an attorney or firm of attorneys with a national reputation for rendering opinions in connection with the issuance of municipal obligations and the tax-exempt status under federal law of interest on such obligations.

"Net Revenues" shall mean all Revenues remaining after payment of Current Expenses and debt service on the Loans.

"Notice" shall mean the Notice of Bond Sale set out in Section 10.01 hereof.

"Operation and Maintenance Fund" shall mean the Combined Water and Sewer System Operation and Maintenance Fund authorized, established, designated, and provided for in Section 5.03(a)(1) of this Bond Resolution.

"Outstanding" in connection with the Bonds shall mean, as of the time in question, all Bonds authenticated and delivered under the Bond Resolution or any Additional Bonds Resolution, except:

(1) Bonds theretofore canceled or required to be canceled under any of the aforesaid bond resolutions;

(2) Bonds deemed paid under the aforesaid bond resolutions; and

(3) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to any of the aforesaid bond resolutions.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent, or waiver under the provisions hereof, unless all Bonds Outstanding are so held, Bonds which are held by or on behalf of the Municipality or any person controlling, controlled by or under common control with the Municipality shall be disregarded for the purpose of any such determination.

"Paying Agent" shall mean any bank, trust company, or other institution herein or hereafter designated by the Governing Body to make payments of the principal of and interest on the Series 2019 Bonds, and to serve as registrar and transfer agent for the registration of owners of the Series 2019 Bonds, and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Payment Date" shall mean May 1, and semiannually thereafter on May 1 and November 1 of each year, and continuing until the last such date on which any of the Series 2019 Bonds is Outstanding, or is paid in full whether at maturity or upon redemption thereof.

"Person" shall mean an individual, partnership, corporation, trust, or unincorporated organization, and a government or agency or political subdivision thereof.

"Principal and Interest Requirements" for any Bond Year shall mean the sums sufficient for the payment of the principal of and interest on the Bonds which will mature and accrue during such period, including the Loans, excluding any principal or premium payable pursuant to any optional redemption provisions but including, with respect to Bonds which are term Bonds, any principal and interest coming due in such Bond Year pursuant to any mandatory sinking fund redemption payments pertaining to such term Bonds.

“Procedures” shall mean the Post Issuance Compliance Procedures, attached hereto as **Attachment B**.

"Project" shall mean the improvements, repairs, and extensions to the System, to be made in substantial accordance with the plans and specifications, as they may be amended and supplemented, prepared by the Consulting Engineer.

"Purchaser" shall mean the successful bidder for the Series 2019 Bonds to be hereafter designated by the Governing Body.

"Record Date" shall mean, as to interest payments, the fifteenth (15^{th}) day of the month preceding the dates set for payment of interest on the Series 2019 Bonds and, as to payments of principal, the fifteenth (15^{th}) day of the month preceding the maturity date thereof.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Redemption Price" shall mean, with respect to a Series 2019 Bond, the principal amount of such Series 2019 Bond, plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms and pursuant to the provisions hereof.

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the Municipality as the Registered Owner of a Bond or Bonds.

"Representation Letter" shall mean the Blanket Letter of Representation to DTC pertaining to book-entry obligations of the Municipality.

"Reserve Account Requirement" for an issue of Bonds shall, except as otherwise provided below, be calculated as of the date of initial issuance of such issue of Bonds and shall be the lesser of: (a) ten percent (10%) of the "principal amount" of all Bonds of such issue; (b) the Maximum Annual Debt Service Requirement with respect to such issue, calculated on a Bond Year basis; and (c) one hundred twenty-five percent (125%) of the average annual debt service on such issue, calculated on a Bond Year basis. The amount of the Reserve Account Requirement for an issue of Bonds shall be calculated and/or recalculated as of: the date of initial issuance of such issue of Bonds; any date on which such issue of Bonds shall be retired, paid in full or defeased; and any date on which a portion, but not all, of the Bonds of such issue shall be refunded. If a portion, but not all, of the Bonds of an issue (the "Refunded Issue") shall be refunded, the Reserve Account Requirement shall be computed on the date of initial issuance of the refunding Bonds (the "Refunding Issue") and thereafter as applicable collectively with respect to the Refunded Issue and the Refunding Issue as the lesser of: (a) the greater of (i) ten percent (10%) of the aggregate Outstanding principal of the Refunded Issue plus ten percent (10%) of the principal of the Refunding Issue, and (ii) the Reserve Account Requirement with respect to the Refunded Issue as of its date of initial issuance; (b) the aggregate Maximum Annual Debt Service Requirement, taking into account all Outstanding Bonds of the Refunded Issue and the Refunding Issue, calculated on a Bond Year basis; (c) one hundred twenty-five percent (125%) of the average future annual debt service on all Outstanding Bonds of the Refunded Issue and the Refunding Issue, calculated on a Bond Year basis; and (d) the maximum amount which can be allocated to the Debt Service Reserve Account without causing the Debt Service Reserve Account to be other than a reasonably required reserve or replacement fund under Treasury Regulations as applicable to the Refunded Issue and the Refunding Issue. The Reserve Account Requirement may be funded with a Reserve Fund Surety Bond, cash, or a combination of both. As used in this paragraph, the term "principal amount" shall mean, with respect to any Bond, the stated principal amount of such Bond, unless the issue of Bonds which included such Bond had more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, in which event principal amount shall mean the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations) of such Bond.

"Reserve Fund Surety Bond" shall mean an insurance policy, letter of credit, or surety bond issued by an insurance company or financial institution acceptable to and approved by the Municipality and the rating agency, if any, and also approved by the Bond Insurer, if any, which shall be issued in an amount equal to all or a portion of the Reserve Account Requirement and may be utilized in whole or in part to satisfy the deposit and funding requirements set forth in this Bond Resolution in lieu of or in substitution for a deposit of cash or securities.

“Responsible Party” shall mean the party specified in each section of the Procedures as being responsible for compliance.

"Revenue Fund" shall mean the Combined Water and Sewer System Revenue Fund authorized, established, designated, provided for in Section 5.02 of this Bond Resolution.

"Revenues" shall mean all payments, proceeds, fees, charges, rents, and all other income (including investment income) derived by or for the account of the Municipality from its ownership and operation of the System, excluding all acreage, front-footage, assessment, and similar fees and charges derived by the Municipality in connection with the provision of or payment for capital improvements constituting a part of the System, and gifts, grants, bequests, and proceeds of tax levies, if any, all as calculated in accordance with generally accepted accounting principles.

"Series 2019 Bonds" shall mean the Combined Water and Sewer System Revenue Bonds, Series 2019, of the Municipality in the original principal amount of Ten Million Dollars ($10,000,000), authorized and directed to be issued in this Bond Resolution.

"Special Record Date" shall mean the date fixed by the Paying Agent pursuant to Section 3.02(d) and Section 3.02(e) of this Bond Resolution for the payment of Defaulted Interest and Defaulted Principal, respectively.

"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).

"System" shall mean the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality, as the same presently exists and as hereafter improved, repaired, and extended.

(b) 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.

2. Heretofore, on September 18, 2018, 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 COMBINED WATER AND SEWER SYSTEM REVENUE BONDS OF THE MUNICIPALITY, ISSUE A COMBINED WATER AND SEWER SYSTEM REVENUE 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 TEN MILLION DOLLARS ($10,000,000), IN ONE OR MORE SERIES, TO RAISE FUNDS FOR THE PURPOSE OF IMPROVING, REPAIRING, AND EXTENDING THE EXISTING COMBINED WATER AND SEWER SYSTEM OF THE MUNICIPALITY; DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION; AND RELATED PURPOSES," wherein the Governing Body found, determined, and adjudicated that it is necessary that combined water and sewer system revenue bonds of the Municipality be issued in the amount, for the purpose, and secured as aforesaid, declared its intention to issue the combined water and sewer system revenue bonds, and fixed Tuesday, November 6, 2018, at 5:30 p.m., as the date and hour on which it proposed to direct the issuance of combined water and sewer system revenue bonds, on or prior to which date and hour any protests to be made against the issuance of such bonds were required to be filed.

3. As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in *The Starkville Daily News*, a newspaper published in and of general circulation in the Municipality, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, said notice having been published in said newspaper on October 9, 2018, October 16, 2018, and October 23, 2018, the third (3rd) such publication on October 23, 2018, being more than ten (10) days prior to November 6, 2018, the date set for the filing of protests on the matter of authorizing the issuance of the combined water and sewer system revenue bonds.

4. On November 6, 2018, the date and hour on which it was proposed to direct the issuance of combined water and sewer system revenue bonds, no written protest or other objection of any kind or character against the issuance of the bonds described in the aforesaid resolution was filed or presented by qualified electors of the Municipality.

5. Therefore, on November 6, 2018, the Governing Body adopted a resolution entitled, "RESOLUTION AUTHORIZING THE ISSUANCE BY THE CITY OF STARKVILLE, MISSISSIPPI, OF COMBINED WATER AND SEWER SYSTEM REVENUE BONDS OF THE MUNICIPALITY OR A COMBINED WATER AND SEWER SYSTEM REVENUE 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 TEN MILLION DOLLARS ($10,000,000), IN ONE OR MORE SERIES, TO PROVIDE FUNDS FOR THE PURPOSE OF IMPROVING, REPAIRING, AND EXTENDING THE COMBINED WATER AND SEWER SYSTEM OF THE MUNICIPALITY; AND FOR RELATED PURPOSES," wherein the Governing Body found, determined, and adjudicated that it was authorized to issue and sell the Series 2019 Bonds for the Authorized Purpose and the Project, pursuant to the subsequent orders of the Governing Body.

6. It is advisable and in the public interest to authorize the Mayor to arrange for a Bond Insurance Policy for the payment of principal and interest on the Series 2019 Bonds in the event that the Mayor determines that obtaining any Bond Insurance Policy is in the best interests of the Municipality or that the Municipality may realize a savings in connection with the issuance of the Series 2019 Bonds. The Governing Body should authorize such Bond Insurance Policy to be obtained and should authorize a commitment for the Bond Insurance Policy to be executed on behalf of the Municipality by the Mayor and City Clerk if the Mayor determines such Bond Insurance Policy to be in the best interest of the Municipality.

7. It is advisable and in the public interest to authorize the Mayor to arrange for a bond rating for the Series 2019 Bonds in the event that the Mayor determines that may realize a savings in connection with the issuance of the Series 2019 Bonds. 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 other usual costs pertaining to any such bond rating, if the Mayor determines any such bond rating to be in the best interest of the Municipality.

8. The Governing Body has heretofore found and determined that it is necessary, advisable, and in the best interest of the Municipality and its citizens to proceed with the Project. It is advisable that the costs of the Project should be met through the issuance of combined water and sewer system revenue bonds of the Municipality, issued and secured in the manner hereinafter provided.

9. The Governing Body now finds and determines that it is necessary, advisable, and in the public interest to direct the issuance of and offer for sale the Series 2019 Bonds in the maximum principal amount of Ten Million Dollars ($10,000,000), out of the authorized maximum principal amount of Ten Million Dollars ($10,000,000).

10. The estimated cost of the Project caused to be made by the Governing Body is Ten Million Dollars ($10,000,000), and the estimated life thereof is at least thirty (30) years.

11. The Governing Body heretofore has found and determined that it is advisable that the cost of the Project should be met through the issuance of combined water and sewer system revenue bonds of the Municipality, payable solely from the Revenues to be derived from the ownership and operation of the System.

12. The Municipality is authorized under the provisions of the Act to issue its combined water and sewer system revenue bonds to provide funds for the Project, the Series 2019 Bonds to be payable solely from Net Revenues and certain funds provided for herein.

13. The amount of the Series 2019 Bonds, when added to the outstanding indebtedness of the Municipality, will not exceed any constitutional, statutory, or charter limitation of indebtedness.

14. The Municipality is authorized under the provisions of the Act to issue the Series 2019 Bonds to provide funds for the Project.

15. The pledge of and lien on a sufficiency of the Net Revenues and amounts on deposit from time to time in the Improvement Fund and the Bond and Interest Fund should be extended in this Bond Resolution for the benefit of the Registered Owners of the Series 2019 Bonds.

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 Series 2019 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 Series 2019 Bonds from gross income for purposes of federal income taxes, since such exclusion may depend, in part, upon continuing compliance by the Municipality with certain requirements of the Code.

17. The Municipality reasonably expects that not less than eighty-five percent (85%) of the spendable proceeds of the Series 2019 Bonds will be used to carry out the governmental purposes of the Series 2019 Bonds within a three-year period beginning on the date of issuance of the Series 2019 Bonds.

18. The Series 2019 Bonds are not “private activity bonds” as such term is defined in Section 141 of the Code.

19. The Preliminary Official Statement pertaining to the sale of the Series 2019 Bonds, in substantially the form attached hereto as **Attachment A**, should be approved by the Governing Body of the Municipality, and copies thereof distributed to prospective purchasers of the Series 2019 Bonds.

20. The Official Statement pertaining to the sale of the Series 2019 Bonds should be approved by the Governing Body, and it is necessary and appropriate for the Governing Body to authorize the execution thereof.

21. It is necessary and appropriate for this Governing Body to approve the Continuing Disclosure Agreement attached to the Preliminary Official Statement and to authorize the execution thereof.

22. The Governing Body desires to approve and adopt the Post Issuance Compliance Procedures, in substantially the form attached hereto as **Attachment B**.

23. It has now become necessary to make provision for the preparation, execution, issuance, sale, and delivery of the Series 2019 Bonds.

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

ARTICLE I
STATUTORY AUTHORITY; SYSTEM

SECTION 1.01. AUTHORITY OF THIS BOND RESOLUTION. This Bond Resolution is adopted pursuant to the authority of and in compliance with the provisions of the Act.

SECTION 1.02. SYSTEM. The waterworks, water supply, sewage, and sewage disposal system of the Municipality, together with all extensions thereof, shall be operated as a combined water and sewer system, referred to herein as the System.

ARTICLE II
APPLICATION OF SERIES 2019 BOND PROCEEDS

SECTION 2.01. APPLICATION OF SERIES 2019 BOND PROCEEDS. All funds received from the sale of the Series 2019 Bonds shall on the Closing Date be applied as follows:

(a) BOND AND INTEREST FUND. Into the Bond and Interest Fund as follows:

(1) CURRENT DEBT SERVICE ACCOUNT. A sum equal to the amount of accrued interest received upon the sale and delivery of the Series 2019 Bonds shall be deposited into the Current Debt Service Account of the Bond and Interest Fund.

(2) DEBT SERVICE RESERVE ACCOUNT. To the extent that other funds of the Municipality have not been deposited into the Debt Service Reserve Account, so that the amount therein is equal to the Reserve Account Requirement, or a Reserve Fund Surety Bond has not been issued to the Municipality, then such sum as is necessary, in addition to other funds on deposit in the Debt Service Reserve Account, shall be deposited into the Debt Service Reserve Account so that the total amount therein is equal to the Reserve Account Requirement.

(b) IMPROVEMENT FUND. The remaining portion of the sale proceeds of the Series 2019 Bonds shall be deposited into the Improvement Fund.

ARTICLE III
AUTHORIZATION, TERMS, AND EXECUTION OF THE SERIES 2019 BONDS

SECTION 3.01. AUTHORIZATION AND TERMS OF THE SERIES 2019 BONDS. (a) Combined Water and Sewer System Revenue Bonds, Series 2019, of the Municipality, in the aggregate principal amount of Ten Million Dollars ($10,000,000) are hereby authorized and directed to be issued for the Authorized Purpose and the Project. The Series 2019 Bonds shall be issued as fully registered bonds; shall be dated May 1, 2019; shall be in the denomination of Five Thousand Dollars ($5,000) each or any integral multiple thereof up to the amount of a single maturity; shall be numbered consecutively in numerical order from 1 upward; shall bear interest, calculated on the 30/360 basis, from the date thereof at the rate or rates specified by further order of the Governing Body, payable on May 1, 2020, and semiannually thereafter on May 1 and November 1 in each year; and shall mature, with option of prior payment, on May 1 in the years and principal amounts as follows:

YEAR	AMOUNT
2020	$335,000
2021	$350,000
2022	$365,000
2023	$380,000
2024	$395,000
2025	$410,000
2026	$425,000
2027	$440,000
2028	$460,000
2029	$480,000
2030	$495,000
2031	$515,000
2032	$535,000
2033	$560,000
2034	$580,000
2035	$605,000
2036	$630,000
2037	$655,000
2038	$680,000
2039	$705,000

(b) The Series 2019 Bonds maturing after May 1, 2029, are subject to redemption prior to their stated dates of maturity at the option of the Municipality, on and after May 1, 2029, at par, plus accrued interest to the date of redemption, either in whole or in part, in whole or in part on any date, in inverse order of maturity, as follows:

(1) Interest shall cease to accrue on any of the Series 2019 Bonds which are duly called for redemption on the date set for redemption if payment thereof on the redemption date has been duly made or provided for.

(2) At least thirty (30) days before the redemption date of any Series 2019 Bonds, the City Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the City Clerk, (i) to be filed with the Paying Agent and (ii) to be mailed, postage prepaid, to all Registered Owners of the Series 2019 Bonds to be redeemed at their addresses as they appear on the registration books herein provided for on the date of such mailing, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each

such notice shall set forth the date fixed for redemption, the place or places at which payment shall be made, and, if less than all of the Series 2019 Bonds of any one maturity shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2019 Bonds to be redeemed.

(3) Prior to the date fixed for redemption, funds shall be placed with the Paying Agent to pay the Series 2019 Bonds called for redemption and accrued interest thereon to the redemption date and the premium, if any, in trust with irrevocable instructions to apply such funds to such payment on such date. Upon the happening of the above conditions, the Series 2019 Bonds, or portions thereof, thus called for redemption shall cease to bear interest from and after the redemption date, shall no longer be protected by this Bond Resolution and shall not be deemed to be Outstanding under the provisions of this Bond Resolution.

SECTION 3.02. PAYMENTS OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. (a) Payments of principal and premium, if any, shall be made upon presentation and surrender of the Series 2019 Bonds at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America.

(b) Except as set forth in Section 3.02(d), payment of each installment of interest on the Series 2019 Bonds shall be made to the Record Date Registered Owner thereof. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Series 2019 Bond subsequent to the Record Date and prior to the due date of the interest.

(c) Except as set forth in Section 3.02(d), interest on the Series 2019 Bonds shall be paid and, following presentation and surrender of the Series 2019 Bonds as set forth in Section 3.02(a) hereof, principal and premium, if any, of the Series 2019 Bonds shall be paid by check or draft mailed on the applicable Payment Date 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 Record Date preceding the applicable Payment Date to be effective as of such Record Date.

(d) Defaulted Interest with respect to any Series 2019 Bond shall cease to be payable to the relevant Record Date Registered Owner of such Series 2019 Bond and, except as hereinafter provided, shall be payable to the Person in whose name such Series 2019 Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest. The Special Record Date shall be fixed in the following manner: the Municipality shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Series 2019 Bond and the date of the proposed payment (which date shall be such as will enable the Paying Agent to comply with the next sentence hereof), and at the same time, the Municipality shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust by the Paying Agent for the benefit of the Bondholders entitled to such Defaulted Interest. Following receipt of such funds, the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest, which date shall be not more than fifteen (15) days nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the Paying Agent receives the notice of the proposed payment.

The Paying Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, not less than ten (10) days prior to such Special Record Date, to each Bondholder entitled to such Defaulted Interest at the address of such Person as it appears on the registration records of the Paying Agent. Such Defaulted Interest shall be paid on the payment date chosen by the Municipality to the Registered Owners as of the Special Record Date of the Series 2019 Bonds with respect to which such Defaulted Interest is payable, said payment to be made by check or draft mailed by the Paying Agent to such Registered Owners at their addresses appearing on the registration records of the Paying Agent. Defaulted Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of a Series 2019 Bond subsequent to the Special Record Date and prior to the date set for payment of such Defaulted Interest.

(e) Defaulted Principal with respect to any Series 2019 Bond shall cease to be payable to the relevant Record Date Registered Owner of such Series 2019 Bond and, except as hereinafter provided, shall be payable to the Person in whose name such Series 2019 Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Principal. The Special Record Date shall be fixed in the following manner: the Municipality shall notify the Paying Agent in writing of the amount of Defaulted Principal proposed to be paid on each Series 2019 Bond and the date of the proposed payment (which date shall be such as will enable the Paying Agent to comply with the next sentence hereof), and at the same time, the Municipality shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Principal or shall make arrangements satisfactory to the Paying Agent for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust by the Paying Agent for the benefit of the Bondholders entitled to such Defaulted Principal. Following receipt of such funds, the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Principal, which date shall be not more than fifteen (15) days nor less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the Paying Agent receives the notice of the proposed payment. The Paying Agent shall promptly notify the Municipality of such Special Record Date and, in the name and at the expense of the Municipality, shall cause notice of the proposed payment of such Defaulted Principal and the Special Record Date therefor to be mailed, first-class postage prepaid, not less than ten (10) days prior to such Special Record Date, to each Bondholder entitled to such Defaulted Principal at the address of such Person as it appears on the registration records of the Paying Agent. Such Defaulted Principal shall be paid on the payment date chosen by the Municipality upon presentation and surrender of the applicable Series 2019 Bonds at the principal office of the Paying Agent to the Registered Owners as of the Special Record Date of the Series 2019 Bonds with respect to which such Defaulted Principal is payable, said payment to be made by check or draft mailed by the Paying Agent to such Registered Owners at their addresses appearing on the registration records of the Paying Agent. Defaulted Principal shall be payable in the aforesaid manner irrespective of any transfer or exchange of a Series 2019 Bond subsequent to the Special Record Date and prior to the date set for payment of such Defaulted Principal.

SECTION 3.03. EXECUTION AND VALIDATION OF THE SERIES 2019 BONDS; CONDITIONS TO DELIVERY OF THE SERIES 2019 BONDS. (a) The Series 2019 Bonds shall be executed by the manual or facsimile signature of the Mayor and countersigned by the manual or facsimile signature of the City Clerk, with the seal of the Municipality imprinted or affixed thereto; provided, however, all signatures and seals appearing on the Series 2019 Bonds, other than the signature of an authorized officer 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 Series 2019 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.

(b) The Series 2019 Bonds shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale, and validation of the Series 2019 Bonds, and the final, unqualified approving opinion of Bond Counsel.

(c) Prior to or simultaneously with the delivery by the Paying Agent of any of the Series 2019 Bonds, the Municipality shall file with the Paying Agent:

(1) a copy, certified by the City Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale, and validation of the Series 2019 Bonds; and

(2) an authorization to the Paying Agent, signed by the Mayor and/or the City Clerk, to authenticate and deliver the Series 2019 Bonds to the Purchaser.

(d) The Paying Agent shall authenticate the Series 2019 Bonds and deliver them to the Purchaser upon payment of the purchase price of the Series 2019 Bonds to the Municipality.

(e) Certificates, blank as to denomination, rate of interest, and date of maturity and sufficient in quantity in the judgment of the Municipality to meet the reasonable transfer and reissuance needs on the Series 2019 Bonds, shall be printed and delivered to the Paying Agent in generally-accepted format, 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, and date of maturity prior to the registration, authentication, and delivery thereof to the transferee holder. Subject to the approval of the Governing Body, the Paying Agent is hereby authorized to have printed from time to time as necessary additional certificates bearing the facsimile seal of the Municipality and facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Series 2019 Bonds.

(f) The Series 2019 Bonds herein directed to be issued shall be submitted to validation under the provisions of Sections 31-13-1 *et seq.*, Mississippi Code of 1972, as amended, and, to that end, the City Clerk is hereby instructed to make up, certify, and transmit to the State Bond Attorney a transcript of proceedings and other documents relating to the authorization, issuance, and sale of the Series 2019 Bonds.

(g) When the Series 2019 Bonds shall have been validated and executed as herein provided, they shall be registered as obligations of the Municipality in the office of the City Clerk in a book maintained for that purpose, and the City Clerk shall cause to be imprinted upon each of the Series 2019 Bonds, over her manual or facsimile signature and manual or facsimile seal, her certificate in substantially the form set out in Section 3.10 hereof.

(h) The Municipality provides hereinafter that the Debt Service Reserve Account shall be additionally fully funded in an amount equal to the Reserve Account Requirement and further provides that all Additional Bonds, regardless of the time or times of their issuance shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment therefrom without preference of any Bonds over any other.

SECTION 3.04. PROVISIONS CONCERNING THE PAYING AGENT. (a) A Paying Agent for the Series 2019 Bonds, which shall serve as paying agent, registrar, and transfer agent, shall be designated by further order of the Governing Body.

(b) So long as any of the Series 2019 Bonds shall remain Outstanding, the Municipality shall maintain with the Paying Agent records for the registration and transfer of the Series 2019 Bonds. The Paying Agent is hereby appointed registrar for the Series 2019 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 Series 2019 Bond entitled to registration or transfer.

(c) The Paying Agent shall be paid or reimbursed 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. The fees and expenses of the Paying Agent shall be an expense of the System and shall be paid from the Operation and Maintenance Fund.

(d) (1) A Paying Agent may at any time resign and be discharged of its duties and obligations as Paying Agent by giving written notice at least sixty (60) days in advance 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.

(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 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.

(3) 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.

(4) 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.

(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 instruments 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 Series 2019 Bonds.

(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 Bond Resolution.

(e) 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 3.04(d)(4) hereof.

SECTION 3.05. INTERCHANGEABILITY OF SERIES 2019 BONDS. The Series 2019 Bonds, upon surrender thereof at the office of the Paying Agent, together with an assignment duly executed on the Series 2019 Bond by the Registered Owner or his attorney or legal representative, may be exchanged for an equal aggregate principal amount of Series 2019 Bonds of the same series and maturity, of any denomination or denominations authorized by this Bond Resolution, and bearing interest at the same rate.

SECTION 3.06. REGISTRATION BOOKS AND BOND REGISTRAR. (a) In the event the Purchaser shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Series 2019 Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the Municipality, one Series 2019 Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Series 2019 Bonds shall be in the Purchaser until the initial Registered Owner has made timely payment and, upon request of the Purchaser within a reasonable time of the initial delivery of the Series 2019 Bonds, the Paying Agent shall re-register any such Series 2019 Bond upon its records in the name of the Registered Owner to be designated by the Purchaser in the event timely payment has not been made by the initial Registered Owner.

(b) So long as any Series 2019 Bonds shall remain Outstanding, the Municipality shall maintain at the office of the Paying Agent books for the registration and transfer of Series 2019 Bonds. The Paying Agent is hereby appointed Bond Registrar for the Municipality for the purpose of registration and transfer of the Series 2019 Bonds. The Paying Agent, as Bond Registrar, shall register in such books and permit to be transferred thereon, under such reasonable regulations as the Paying Agent may prescribe, any Series 2019 Bond entitled to registration or transfer.

SECTION 3.07. TRANSFER OF SERIES 2019 BONDS. (a) Each Series 2019 Bond shall be transferable only on the books of the Municipality kept at the Paying Agent, upon surrender thereof at the principal 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 such Series 2019 Bond, the Municipality shall issue in the name of the transferee a new Series 2019 Bond or Series 2019 Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Series 2019 Bond.

(b) The Municipality and the Paying Agent may deem and treat the Person in whose name any Series 2019 Bond shall be registered upon the books of the Municipality as the absolute owner thereof, whether such Series 2019 Bond shall be overdue or not, for the purpose of receiving payment of the principal of and interest on such Series 2019 Bond and for all other purposes. All such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Municipality upon such Series 2019 Bond to the extent of the sum or sums so paid. Neither the Municipality nor the Paying Agent shall be affected by any notice to the contrary.

(c) In all cases in which the privilege of transferring Series 2019 Bonds is exercised, the Paying Agent shall authenticate and deliver Series 2019 Bonds in accordance with the provisions of this Bond Resolution.

SECTION 3.08. REGULATIONS WITH RESPECT TO EXCHANGES AND TRANSFERS. (a) In all cases in which the privilege of exchanging or transferring Series 2019 Bonds is exercised, the Municipality shall, in the manner and to the extent, if any, required hereunder, execute and the Paying Agent, as Registrar, shall authenticate and deliver Series 2019 Bonds in accordance with provisions of this Bond Resolution without expense to the Holders of the Series 2019 Bond.

(b) Neither the Municipality nor the Paying Agent shall be obligated to exchange or transfer any Series 2019 Bond during the fifteen (15) days next preceding (i) a Payment Date or (ii) in the case of any proposed redemption of Series 2019 Bonds, the date of the mailing of notice of such redemption.

SECTION 3.09. SERIES 2019 BONDS MUTILATED, DESTROYED, STOLEN, OR LOST. In case any Series 2019 Bond shall become mutilated or be destroyed, stolen, or lost, the Municipality may cause to be authenticated and delivered a new Series 2019 Bond in exchange and substitution for such mutilated Series 2019 Bond, upon surrender and cancellation of such mutilated Series 2019 Bond, or in lieu of and substitution for the Series 2019 Bond destroyed, stolen, or lost and upon the Bondholder's furnishing the Municipality or the Paying Agent proof of his ownership thereof and satisfactory indemnity and complying with the statutes of the State of Mississippi and such other reasonable regulations and conditions as the Municipality or the Paying Agent may require. All Series 2019 Bonds so surrendered shall be canceled and held for the account of the Municipality. If any such Series 2019 Bond shall have matured or be about to mature, instead of issuing a substituted Series 2019 Bond, the Municipality may pay or cause to be paid the same upon being indemnified as aforesaid, and if such Series 2019 Bond be lost, stolen or destroyed, without surrender thereof. Any such duplicate Series 2019 Bonds issued pursuant to this Section shall constitute additional contractual obligations on the part of the Municipality, whether or not the lost, stolen, or destroyed Series 2019 Bonds be at any time found by anyone, and such duplicate Series 2019 Bonds shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the Net Revenues of the System with all other Series 2019 Bonds issued hereunder.

SECTION 3.10. FORM OF THE SERIES 2019 BONDS. The Series 2019 Bonds and the registration and validation certificate shall be in substantially the following form, with such omissions, insertions, and variations as may be approved by the Mayor and/or City Clerk, delivery or execution thereof to be conclusive evidence of such approval:

[BOND FORM]

UNITED STATES OF AMERICA
STATE OF MISSISSIPPI
CITY OF STARKVILLE
COMBINED WATER AND SEWER SYSTEM REVENUE BOND
SERIES 2019

NO. ____________ $______________

Rate of Interest	Maturity Date	Dated Date	CUSIP
__.__%	________________, 20___	_____________, 20___	____________

Registered Owner:

Principal Amount: DOLLARS

The City of Starkville, located 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 lawful money of the United States of America to the Registered Owner identified above, upon the presentation and surrender of this Series 2019 Bond, at the principal office of ____________________, ____________, Mississippi, or its successor, as paying agent (the "Paying Agent") for the Municipality's Combined Water and Sewer System Revenue Bonds, Series 2019, in the aggregate principal amount of Ten Million Dollars ($10,000,000) (the "Series 2019 Bonds"), on the maturity date identified above, the principal amount identified above. Except as provided in the Bond Resolution, as hereinafter defined, with respect to Defaulted Principal (as defined therein), payment of the principal amount of this Series 2019 Bond shall be made to the Registered Owner hereof whose name shall appear in the registration records of the Municipality maintained by the Paying Agent, which shall also serve as registrar and transfer agent, as of the fifteenth (15^{th}) day of the calendar month preceding the maturity date hereof.

The Municipality further promises to pay interest, calculated on the 30/360 basis, on such principal amount from the date of this Series 2019 Bond or from the most recent interest payment date to which interest has been paid at the rate of interest per annum set forth above on May 1, and semiannually thereafter on November 1 of each year, until said principal sum is paid. Except as provided in the Bond Resolution, as hereinafter defined, with respect to Defaulted Interest (as defined therein), interest payments on this Series 2019 Bond shall be 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 (15^{th}) day of the calendar month preceding the applicable interest payment date.

This Series 2019 Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Mayor and Board of Aldermen of the Municipality (the "Governing Body"), including a resolution authorizing and directing the issuance of the Series 2019 Bonds, adopted by the Governing Body on _________________, 20___ (the "Bond Resolution").

Capitalized terms used herein and not otherwise defined shall have the definitions given in the Bond Resolution.

Interest on this Series 2019 Bond shall be paid and, following presentation and surrender of this Series 2019 Bond as set forth above, principal of this bond shall be paid by check or draft mailed on the applicable payment date to the Registered Owner of this bond as of the Record Date at the address appearing in the registration records of the Paying Agent. Such address may be changed by written notice from the Registered Owner hereof 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 (15^{th}) day of the calendar month preceding the applicable payment date to be effective as of such date.

This Series 2019 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 in the aggregate authorized principal amount of Ten Million Dollars ($10,000,000), out of an authorized amount of Ten Million Dollars ($10,000,000), to raise money for improvements, repairs. and extensions to the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality (the "System").

The Series 2019 Bonds maturing after May 1, 2029, are subject to redemption prior to their stated dates of maturity at the option of the Municipality, on and after May 1, 2029, at par, plus accrued interest to the date of redemption, either in whole or in part, in whole or in part on any date, in inverse order of maturity, as follows:

(a) Interest shall cease to accrue on any of the Series 2019 Bonds which are duly called for redemption on the date set for redemption if payment thereof on the redemption date has been duly made or provided for.

(b) At least thirty (30) days before the redemption date of any Series 2019 Bonds, the City Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the City Clerk, (a) to be filed with the Paying Agent and (b) to be mailed, postage prepaid, to all Record Date Registered Owners at their addresses as they appear on the registration books herein provided for, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the place or places at which payment shall be made, and, if less than all of the Series 2019 Bonds of any one maturity shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2019 Bonds to be redeemed. If less than all of the outstanding Series 2019 Bonds of a maturity are to be redeemed, the particular Series 2019 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 Series 2019 Bonds (in integral multiples of $5,000), and for all purposes of this Series 2019 Bond, all provisions relating to the redemption of Series 2019 Bonds shall relate, in the case of any Series 2019 Bond redeemed or to be redeemed only in part, to the portion of the principal of such Series 2019 Bond which has been or is to be redeemed.

(c) On the date so designated for redemption, the Series 2019 Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Series 2019 Bonds on such date, and, if funds for payment of the redemption price and the accrued interest are held by the Paying Agent in trust for the Record Date Registered Owners of the Series 2019 Bonds to be redeemed, as provided in the Bond Resolution, the interest on any Series 2019 Bonds so called for redemption payable subsequent to the redemption date shall cease to accrue, such Series 2019 Bonds shall cease to be entitled to any benefit or security under the Bond Resolution, and the Record Date Registered Owners of such Series 2019 Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and the accrued interest thereon to the redemption date.

The Series 2019 Bonds are registered as to both principal and interest, and are to be issued or reissued in the denomination of Five Thousand Dollars ($5,000) each, or integral multiples thereof up to the amount of a single maturity.

This Series 2019 Bond may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal 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 Series 2019 Bond. Upon such transfer or exchange, a new Series 2019

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 principal of, premium, if any, and interest on this Series 2019 Bond shall be payable solely from (i) a sufficiency of the revenues derived from the operation of the System, subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and the payment of any loans from the State of Mississippi as of the date of issuance of the Series 2019 Bonds, and (ii) the Current Debt Service Account and the Debt Service Reserve Account, both of which sources have been pledged on a parity of lien with any Additional Bonds issued in accordance with the provisions of the Bond Resolution. Additional Bonds on a parity of lien with the Series 2019 Bonds may be issued pursuant to the provisions of the Bond Resolution.

In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, the Municipality hereby irrevocably pledges (i)) a sufficiency of the revenues derived from the operation of the System, subject to the prior payment of the reasonable and necessary expense of operating and maintaining the System and the payment of any loans from the State of Mississippi as of the date of issuance of the Series 2019 Bonds, and to make the payments into the Current Debt Service Account and into the Debt Service Reserve Account, and all other payments provided for in this Bond Resolution as the same become due and payable, and (ii) the Current Debt Service Account and the Debt Service Reserve Account. The Series 2019 Bonds are secured on a parity of lien with any Additional Bonds issued pursuant to this Bond Resolution. The Bonds shall be secured equally and ratably by such pledge.

The Series 2019 Bonds shall not be or constitute an indebtedness of the Municipality within the meaning of any constitutional, statutory, or charter limitation of indebtedness, but shall be payable solely from the sources herein provided. No Bondholder shall ever have the right to compel the exercise of ad valorem taxing power of the Municipality or taxation in any form of any property therein to pay the principal of and interest on the Series 2019 Bonds or the making of any reserve or other payments provided for in this Bond Resolution

The Municipality covenants and agrees that it will perform all duties required by law and by the Bond Resolution; that it will apply the proceeds of this Series 2019 Bond to the purposes above set forth; that, as long as this Series 2019 Bond is Outstanding, it will operate and maintain the System; that it will fix and maintain rates and make and collect charges for the services of the System, without regard to the user thereof, sufficient to provide for the operation and maintenance of the System in good repair and working order, to provide for the payment of the principal of and interest on this Series 2019 Bond as same shall mature and accrue, and to provide for a Depreciation Fund and a Contingent Fund, all as set forth in the Bond Resolution; and that such an amount of the revenues of the System remaining after paying the expense of operating and maintaining the System and payment of any loans from the State of Mississippi as of the date of issuance of the Series 2019 Bonds and as will maintain the Bond and Interest Fund for this Series 2019 Bond, as the same shall mature and accrue, is hereby irrevocably pledged to said purpose.

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 Series 2019 Bond, in order to make the same a legal and binding limited obligation of the Municipality, according to the terms hereof, do exist, have happened, and have been performed in regular and due time, form, and manner as required by law.

This Series 2019 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.

IN WITNESS WHEREOF, the Municipality has caused this Series 2019 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 or manual seal of the Municipality, which said facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, all as of the _______________ day of ______________, 2019.

CITY OF STARKVILLE, MISSISSIPPI

____
Mayor

COUNTERSIGNED:

____
City Clerk (seal)

There shall be printed on or accompany the Series 2019 Bonds a “Registration and Authentication Certificate” in substantially the following form:

<u>CERTIFICATE OF REGISTRATION AND AUTHENTICATION</u>

This Series 2019 Bond is one of the Series 2019 Bonds described in the within mentioned Bond Resolution and is one of the Combined Water and Sewer System Revenue Bonds, Series 2019, of the City of Starkville, Mississippi.

____
as Paying Agent

____
Authorized Signatory

Date of Registration and Authentication: _____________

There shall be printed on or accompany the Series 2019 Bonds a “Registration and Validation Certificate” and an “Assignment” form in substantially the following forms:

<u>REGISTRATION AND VALIDATION CERTIFICATE</u>

I, the undersigned City Clerk of the City of Starkville, Mississippi, do hereby certify that the within Series 2019 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 ____________, 2019.

____
City Clerk

(seal)

<u>ASSIGNMENT</u>

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto __________

____
(Name and Address of Assignee)

____
the within Series 2019 Bond and does hereby irrevocably constitute and appoint ______________________________________ as Paying Agent to transfer the said Series 2019 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 Officer)

____
NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Series 2019 Bond in every particular, without any alteration whatsoever.

Date of Assignment: ____________________

Insert Social Security Number or Other Tax Identification Number of Assignee: ____________

<u>ARTICLE IV</u>
SECURITY FOR THE BONDS

SECTION 4.01. <u>SERIES 2019 BONDS SECURED BY PLEDGE OF NET REVENUES AND CERTAIN OTHER FUNDS</u>. In order to secure the payment of the principal of, premium, if any, and interest on the Bonds, the Municipality hereby irrevocably pledges (i) a sufficiency of the Net Revenues to pay the principal of, premium, if any, and interest on the Bonds, and to make the payments into the Current Debt Service Account and into the Debt Service Reserve Account, and all other payments provided for in this Bond Resolution as the same become due and payable, and (ii) the Current Debt Service Account and the Debt Service Reserve Account. The Series 2019 Bonds are secured on a parity of lien with any Additional Bonds issued pursuant to this Bond Resolution. The Bonds shall be secured equally and ratably by such pledge.

SECTION 4.02. SERIES 2019 BONDS ARE LIMITED OBLIGATIONS. The Series 2019 Bonds shall not be or constitute an indebtedness of the Municipality within the meaning of any constitutional, statutory, or charter limitation of indebtedness, but shall be payable solely from the sources herein provided. No Bondholder shall ever have the right to compel the exercise of ad valorem taxing power of the Municipality or taxation in any form of any property therein to pay the principal of and interest on the Series 2019 Bonds or the making of any reserve or other payments provided for in this Bond Resolution.

ARTICLE V
RATE COVENANT; REVENUES OF SYSTEM AND APPLICATION THEREOF

SECTION 5.01. RATE COVENANT. (a) So long as any of the principal of or interest on any of the Bonds shall be Outstanding and unpaid, or until adequate provision has been made for the payment of the principal of, premium, if any, and interest on the Bonds in accordance with Section 9.02 of this Bond Resolution, as applicable, the Municipality covenants with the Bondholders that the Municipality will fix, establish, maintain, levy, and collect such rates, fees, rents, and other charges for the services and facilities of the System and all parts thereof, and will revise the same from time to time whenever necessary, as will always provide Revenues at least sufficient: (1) to pay the Current Expenses of the System, and (2) to provide one hundred twenty percent (120%) of the amount of the maximum Principal and Interest Requirements for the current Bond Year on account of the Bonds then Outstanding. The Municipality shall maintain a rate ordinance which shall provide Revenues in each Fiscal Year sufficient to satisfy the requirements of this Section. To the extent permitted by applicable law, the aforesaid rate ordinance shall also provide for a penalty charge for non-payment of bills within a specified number of days after their due date and discontinuance of service upon non-payment of bills within a specified number of days after their due date, and the Municipality shall discontinue the supplying of the services and facilities of the System for non-payment of bills for such services and facilities within such time period and will not restore the services and facilities of the System to any of such delinquent users until payment in full of all delinquent charges, including reasonable charges for restoration of services.

(b) If the Revenues in any Fiscal Year as shown by the Municipality's audit are less than the total amount set forth in Section 5.01(a), then it shall, as promptly as possible, request the Consulting Engineer, the Municipal Advisor, or an accountant, to make recommendations as to a revision of such rates, fees, rents and other charges or methods of operating the System which will result in producing the required amount in Revenues in the following Bond Year. Upon receipt of such recommendations the Municipality shall, subject to applicable requirements imposed by law, immediately revise such rates, fees, rents, and other charges and take such other actions respecting the methods of operation of the System as shall in its discretion be deemed necessary.

SECTION 5.02. COMBINED WATER AND SEWER SYSTEM REVENUE FUND. An amount of the Revenues of the System sufficient to provide for the deposits hereinafter required by Section 5.03 shall be deposited on or before the first (1st) Business Day of each month, commencing in the first (1st) calendar month following the Closing Date, into the Revenue Fund authorized, established, designated, and provided for in this Section of the Bond Resolution. The Revenue Fund shall continue for the purposes of this Bond Resolution and for any Additional Bonds.

SECTION 5.03. DISPOSITION OF REVENUES; ESTABLISHMENT OF FUNDS. (a) The Municipality will set aside, allocate, and deposit funds from the Revenue Fund into the separate funds as authorized, established, designated, and provided for herein. Such sums shall be set aside, allocated, and deposited by the City Clerk without further direction of or action by the Governing Body in the following manner and order of priority:

(1) Operation and Maintenance Fund. On or before the first (1st) Business Day of each month, beginning with the first (1st) calendar month following the Closing Date, an amount which, when added to any funds then on deposit in the Operation and Maintenance Fund, shall be equal to the estimated Current Expenses of the System for the next succeeding calendar month, including any amounts needed to cover deficiencies in preceding months. Funds in the Operation and Maintenance Fund shall be disbursed from time to time as needed for the operation and maintenance of the System.

(2) Bond and Interest Fund. From the funds in the Revenue Fund there shall next be apportioned, set aside, and deposited into the Bond and Interest Fund the amounts required for the following accounts in the Bond and Interest Fund to be funded in the order listed:

(A) Current Debt Service Account. On or before the first (1st) Business Day of each month, beginning in the first calendar month following the Closing Date (but not sooner than one (1) year prior to the first (1st) principal payment date as to principal payments), there shall be apportioned, set aside, and deposited into the Current Debt Service Account, Revenues for the payment of interest in an amount which, together with funds on deposit in the Current Debt Service Account for such purpose and together with approximately equal subsequent monthly deposits on or before the first (1st) Business Day of each month, will provide a sum for the payment of interest equal to the amount necessary to pay the next installment of interest on the Bonds, and Revenues for the payment of principal in an amount which, together with funds on deposit in the Current Debt Service Account for such purpose and together with approximately equal subsequent monthly deposits on or before the first (1st) Business Day of each month, will provide a sum for the payment of principal equal to the amount necessary to pay the next installment of principal on the Bonds (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment).

(B) Debt Service Reserve Account. (i) Provided, that in addition to the funds hereby required to be paid into the Current Debt Service Account of the Bond and Interest Fund, the Debt Service Reserve Account shall be maintained as a subaccount in the Bond and Interest Fund in order to meet any deficiency therein in future years. In order to fully fund the Debt Service Reserve Account, the City Clerk shall immediately upon delivery of the Series 2019 Bonds deposit an amount from the proceeds of the sale of the Series 2019 Bonds or any other legally available funds of the Municipality, which, together with funds on deposit in the Debt Service Reserve Account, will be equal to the Reserve Account Requirement (calculated with respect to the Series 2019 Bonds), at which amount the Debt Service Reserve Account shall thereafter be maintained by such future payments as may be necessary for that purpose. The Debt Service Reserve Account shall be used only to pay maturing principal and accruing interest, or both, and only whenever and to the extent that funds otherwise available in the Current Debt Service Account are insufficient for that purpose. No funds paid into the Debt Service Reserve Account shall be used to prepay the principal unless such prepayment is for the entire balance of the principal amount of the Bonds.

(ii) On or before the first (1st) Business Day of each month, commencing in the first (1st) calendar month after a withdrawal from the Debt Service Reserve Account causes the amount on deposit therein to fall below the Reserve Account Requirement or in the first (1st) calendar month after an annual valuation of the Debt Service Reserve Account reveals that the fair market value of the investments therein is less than the Reserve Account Requirement, there shall be apportioned, set aside, and deposited to the Debt Service Reserve Account all funds remaining in the Revenue Fund after the payments required by Section 5.03(a)(2)(A) have been made until the amount in the Debt Service Reserve Account equals the Reserve Account Requirement; provided, that no such deposits shall be made until all required payments have been made in full into the Current Debt Service Account, including any deficiencies for prior payments. Funds in the Debt Service Reserve Account shall be used only for the purpose of paying maturing principal of or interest on the Bonds when the funds in the Current Debt Service Account are insufficient therefor and for no other purpose, except that said funds may be invested or reinvested as provided for herein.

(iii) No further payments into the Current Debt Service Account or into the Debt Service Reserve Account shall be required when the aggregate amount of funds in both the Current Debt Service Account and the Debt Service Reserve Account are at least equal to the aggregate principal amount of the Bonds then Outstanding, plus the amount of interest then due or to become due on the Bonds then Outstanding, or when the Bonds shall be deemed fully paid within the meaning of Section 9.02 hereof.

(iv) The Municipality, in its sole discretion and with the prior consent of the Bond Insurer, if any, may fund all or a portion of the Reserve Account Requirement with a Reserve Fund Surety Bond. Any such Reserve Fund Surety Bond must either extend to the final maturity date of the then Outstanding Bonds or the Municipality must agree, by a resolution supplementing this Bond Resolution, that the Municipality will replace such Reserve Fund Surety Bond prior to its expiration with another Reserve Fund Surety Bond which shall have no adverse effect on ratings then in effect on the Outstanding Bonds, or with cash, or with a combination of both. The face amount of the Reserve Fund Surety Bond, together with amounts on deposit in the Debt Service Reserve Account, including the face amount of any other Reserve Fund Surety Bond, shall be at least equal to the Reserve Account Requirement.

(v) Funds in the Debt Service Reserve Account shall be used only for the purpose of paying maturing principal of or interest on the Bonds when the funds in the Current Debt Service Account are insufficient therefor and for no other purpose, except that said funds may be invested or reinvested as provided for herein. In the event that amounts credited to the Debt Service Reserve Account are used to pay maturing principal or interest on the Bonds when funds on hand in the Current Debt Service Account are insufficient therefor or that amounts credited to the Debt Service Reserve Account are at any time less than the amount of the Reserve Account Requirement, the Municipality shall provide written notice of such event and of the amount of such deficiency to the Bond Insurer, if any. If a disbursement is made from the Debt Service Reserve Account to pay maturing principal or interest on the Bonds, only such amount as may at the time be drawn under any Reserve Fund Surety Bond then credited to the Debt Service Reserve Account shall be included in computing the amounts credited to the Debt Service Reserve Account. The Municipality shall be obligated to restore the amounts credited to the Debt Service Reserve Account to the amount of the Reserve Account Requirement by either: (1) causing any Reserve Fund Surety Bond to be reinstated; (2) providing one or more Reserve Surety Bonds; (3) depositing Revenues into the Debt Service Reserve Account in accordance with Section 5.03(a)(2)(B); or (4) any combination of the foregoing. With respect to such replenishment of the Debt Service Reserve Account, any funds received for such purpose shall be used first to reimburse any provider of a Reserve Fund Surety Bond then credited to the Debt Service Reserve Account, thereby reinstating such Reserve Fund Surety Bond, and second to replenish any cash in the Debt Service Reserve Account and/or to provide one or more Reserve Fund Surety Bonds.

(3) Depreciation Fund. In order to fund the Depreciation Fund provided for herein, after the deposits required by paragraphs (a)(1) and (a)(2) of this Section, there shall next be deposited into the Depreciation Fund the amount of Five Thousand Dollars ($5,000); provided, however, that deposits may be made on or before the first (1st) Business Day of each month, beginning with the first (1st) calendar month after the Closing Date, until the amount on deposit in the Depreciation Fund is equal to Five Thousand Dollars ($5,000), at which amount it shall thereafter be maintained by such future monthly deposits as may be necessary for that purpose. The Depreciation Fund shall be used for the purpose of paying the cost of replacing such parts of the System as may need replacement in order to keep the System operating in an economical and efficient manner; provided, however, that in the event the funds provided for in this Bond Resolution for the payment of the principal of and interest on the Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal of the Bonds as set forth in paragraph (a)(2)(A) of this Section shall be drawn from the Depreciation Fund, and shall be used together with funds otherwise available to pay such accruing interest and to provide for the payment of principal as set forth in paragraph (a)(2)(A) of this Section. No funds paid into the Depreciation Fund shall be used to prepay principal or premium, if any, unless such prepayment is for the entire balance of the principal amount of the Bonds.

(4) Contingent Fund. In order to fund the Contingent Fund provided for herein, after the deposits required by paragraphs (a)(1), (a)(2) and (a)(3) of this Section, there shall next be deposited into the Contingent Fund the amount of Five Thousand Dollars ($5,000); provided, however, that deposits may be made on or before the first (1st) Business Day of each month, beginning with the first (1st) calendar month after the Closing Date, until the amount on deposit in the Contingent Fund is equal to Five Thousand Dollars ($5,000), at which amount it shall thereafter be maintained by such future monthly deposits as may be necessary for that purpose. The Contingent Fund shall be used for the purpose of paying the cost of unforeseen contingencies arising in the operation and maintenance of the System, including the construction of reasonable and proper improvements, repairs, and extensions thereto; provided, however, that in the event the funds provided for in this Bond Resolution for the payment of the principal of and interest on the Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal of the Bonds as set forth in paragraph (a)(2)(A) of this Section shall

be drawn from the Contingent Fund and shall be used, together with funds otherwise available, to pay such accruing interest and to provide for the payment of principal as set forth in Section 5.03(a)(2)(A).

(b) The funds in the foregoing funds shall be held separate and apart from all other funds of the Municipality and shall be applied in the manner provided. Any surplus Revenues remaining after all deposits required or allowed by this Section have been made may be used solely for purposes pertaining to the System, including payment of any general obligation debt previously or hereafter incurred for the System. The foregoing notwithstanding, any amounts required to be paid by the Municipality from such surplus Revenues for general administrative charges pertaining to the System shall be considered as being used for purposes pertaining to the System.

(c) If in any month the Revenues are insufficient to deposit the required amount in any of the funds as hereinbefore provided, the deficiency shall be made up in the subsequent payment or payments in addition to the payments which would otherwise be required to be made into such funds in subsequent months; provided, however, that any deficiency in the Current Debt Service Account and the Debt Service Reserve Account shall be made up before any further payment is made to the Depreciation Fund or the Contingent Fund.

(d) The investments of funds in the Debt Service Reserve Account shall be valued in such manner as the Municipality shall determine at the fair market value thereof annually on the last Business Day of each Fiscal Year. If the fair market value of said investments is less than the Reserve Account Requirement, the Municipality shall, as soon as possible but in any event within the following twelve (12) months, place money from the Revenue Fund into the Debt Service Reserve Account as provided in paragraph (a)(2)(B) of this Section to bring the aggregate value of the Debt Service Reserve Account up to the Reserve Account Requirement. If the fair market value of such investments is greater than the Reserve Account Requirement, the amount of money in excess of the Reserve Account Requirement shall be paid into the Current Debt Service Account.

SECTION 5.04. INVESTMENT OF FUNDS ON DEPOSIT IN THE FUNDS. The funds at any time on deposit in any fund or account provided for by this Bond Resolution not immediately required for disbursement for the purposes for which such funds or accounts are established, shall be invested in such instruments or investments as are permissible under the Code or under applicable law of the State of Mississippi. The income received on the investment of any such funds shall be credited to the fund or account for which such investments are made; provided that, with respect to the Current Debt Service Account and the Improvement Fund, the excess, if any, of such income above the amounts required to be on deposit in such funds or accounts shall be transferred to the Current Debt Service Account and applied to the purposes for which such account is established. The income received on any investments in the Improvement Fund shall be credited to such fund until the Project is complete.

ARTICLE VI
IMPROVEMENT FUND

SECTION 6.01. COMBINED WATER AND SEWER IMPROVEMENT FUND. Pursuant to Section 2.01 hereof, the proceeds of the Series 2019 Bonds remaining after deposits have been made to the various funds and accounts described in Section 2.01 shall be irrevocably deposited by the Municipality into a fund hereby authorized, established, and designated the Improvement Fund. Funds in the Improvement Fund shall be applied solely and only to the payment of the costs of the Project and costs incidental thereto (including but not limited to the costs of the authorization, issuance, sale, validation, and delivery of the Series 2019 Bonds and Bond Insurance Policy premiums, if any, for the Series 2019 Bonds). Any balance remaining in the Improvement Fund after completion of the Project shall be transferred to the Current Debt Service Account and applied to the payment of the principal of and interest on the Series 2019 Bonds.

ARTICLE VII
COVENANTS OF THE MUNICIPALITY

So long as any of the principal of or interest on any of the Bonds shall be Outstanding and unpaid, or until adequate provision has been made for the payment of the principal of, premium, if any, and interest on the Bonds, the Municipality covenants with the holders of any and all of such Bonds as follows:

SECTION 7.01. OPERATION AND MAINTENANCE. The Municipality will maintain in good condition the System and all parts thereof, and will continuously operate the same in an efficient and economical manner, making such expenditures for equipment and for renewal, repair, and replacement as may be proper for the economical operation and maintenance thereof.

SECTION 7.02. SALE OF THE SYSTEM. The System may be sold or otherwise disposed of only as a whole or substantially as a whole, and only if the net proceeds to be realized shall be sufficient, together with other funds available therefor, to provide for the payment of the principal of, premium, if any, and interest on the Bonds and to fully retire all of the Bonds and any other indebtedness to the payment of which the Net Revenues of the System are pledged, and all interest thereon to their respective dates of maturity or earlier redemption dates. The proceeds from such sale or other disposition of the System shall immediately be deposited into the Current Debt Service Account, or if the Bonds are not then redeemable, into an escrow fund as provided in Section 9.02, and shall be used only for the purpose of paying the principal of, premium, if any, and interest on the Bonds, as the same shall become due, or for the redemption of callable Bonds (subject to provisions of Section 3.01), or the purchase of Bonds at a price not greater than the then applicable redemption price of the Bonds, or, if the Bonds to be purchased are not then redeemable prior to maturity, at prices not greater than the redemption price of such Bonds on the next allowable redemption date.

The foregoing provision notwithstanding, the Municipality shall have and hereby reserves the right to sell or otherwise dispose of any of the property comprising a part of the System hereafter determined in the manner provided herein to be no longer necessary, useful, or profitable in the operation thereof, for fair and reasonable prices.

Prior to any such sale or other disposition of said property, the Consulting Engineer shall make a finding in writing determining that such property comprising a part of the System is no longer necessary, useful, or profitable in the operation thereof, and the proceeds from any sale of such property shall be deposited into the Revenue Fund and used only as provided herein for such fund.

SECTION 7.03. ISSUANCE OF OTHER OBLIGATIONS PAYABLE OUT OF REVENUES. The Municipality will not issue any other obligations, except upon the conditions and in the manner provided in Section 9.01, payable from the Net Revenues and being on a parity with the lien of the Bonds and the interest thereon, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance, or any other charge having priority to or being on a parity with the lien of the Bonds and the interest thereon.

The Municipality may issue obligations junior and subordinate to the Bonds at any time, provided that the issuance of such obligations does not violate any covenants of the Municipality concerning any of its then Outstanding Bonds. All obligations issued by the Municipality secured by Net Revenues other than Additional Bonds shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to lien on and source of and security for payment from the Net Revenues, and in all other respects.

SECTION 7.04. INSURANCE FOR THE SYSTEM. As long as any of the Bonds shall remain Outstanding and unpaid, the Municipality shall carry and maintain all-risk insurance upon all the properties forming a part of the System which may be of an insurable nature, such insurance to be of the type and kind and for such amount or amounts as carried and maintained by other municipalities rendering services of a similar character in similar communities. The proceeds of all such insurance shall be used only for the maintenance and restoration of the System, or for the payment of the principal of, premium, if any, and the interest on the Bonds.

To the extent the Municipality is not covered by sovereign immunity, the Municipality shall also carry adequate public liability and property damage insurance. Proceeds of insurance awards, except public liability and property damage policies, will be used to repair the damaged property or replace the destroyed property, and excess proceeds shall be deposited into the Depreciation Fund or in the Current Debt Service Account to redeem the Bonds, or if the Bonds are not then redeemable, into an escrow fund as provided in Section 9.02.

SECTION 7.05. BOOKS AND RECORDS. The Municipality will keep books and records of the System, which shall be separate and apart from all other books, records, and accounts of the Municipality in which complete and correct entries shall be made in accordance with generally accepted accounting principles consistently applied of all transactions relating to the System, and any Bondholder and the Paying Agent shall have the right at all reasonable times to inspect the System and all parts thereof, and all records, accounts, and data of the Municipality relating thereto.

The Municipality shall promptly after the close of each Fiscal Year cause the books, records, and accounts of the System for the preceding Fiscal Year to be properly audited by a qualified and independent firm of certified public accountants, which report shall cover in reasonable detail the operation of the System and the insurance carried with respect thereto. The Municipality shall make available generally said report, or a reasonable summary thereof, to any Bondholder upon request.

The Municipality shall also, prior to the commencement of each Fiscal Year, cause the System to be inspected by the Consulting Engineer, who shall file an annual report with the City Clerk prior to the commencement of such Fiscal Year, setting out the condition of the physical plant of the System and any recommendations which the Consulting Engineer shall deem to be advisable. Such annual report shall include the following:

(a) Advice and recommendations concerning the maintenance, repair, and operation of the System;

(b) Advice and recommendations as to renewals or replacements of any part of the System;

(c) Advice and recommendations as to extensions of the System;

(d) The estimated cost of any recommended renewals, replacements, or extensions to the System;

(e) Advice and recommendations concerning the amount and character of insurance that should be carried on the System;

(f) Advice and recommendations concerning any revision of the rates to be charged for the services of the System; and

(g) A statement of the judgment of the Consulting Engineer concerning whether the System had been maintained in good repair and operating order, with such suggestions as the Consulting Engineer may deem advisable concerning changes in the methods of operating the System.

The Municipality covenants with the Registered Owners that if the report of the Consulting Engineer shall show that the System has not been maintained in good repair and operating condition, it will, from available Revenues and from the Depreciation Fund and, to the extent applicable, from the Contingent Fund, promptly restore the System to good repair and operating condition; that all recommendations of said report shall receive impartial consideration by the Governing Body; and that the Municipality and the Governing Body shall endeavor in good faith to carry out the recommendations that may be made by the Consulting Engineer.

SECTION 7.06. OPERATING BUDGET. Prior to the commencement of each Fiscal Year following the Closing Date, the Governing Body shall prepare or shall cause to be prepared and adopted by resolution of the Governing Body a detailed budget setting out the estimated receipts and expenditures of the System for the then ensuing Fiscal Year. This budget shall contain:

(a) an estimate of the Revenues expected to be derived from the operation of the System during the next ensuing Fiscal Year;

(b) a statement of the estimated Current Expenses during the next ensuing Fiscal Year;

(c) a statement of the amount of principal and interest due on the Bonds and any other indebtedness payable from Net Revenues during the next ensuing Fiscal Year;

(d) a statement of what replacements to the System may be anticipated and the estimated cost thereof;

(e) a statement of the total amount anticipated to be payable from Revenues during the next ensuing Fiscal Year; and

(f) a statement of the amount on deposit in each of the funds referred to in Section 5.03 of this Bond Resolution.

SECTION 7.07. NO FREE SERVICES. The Municipality will not render or cause to be rendered any free services of any nature by the System or any part thereof, including services provided to the Municipality itself or any agency thereof, nor will any preferential rates or services be established for users of the same class. All users of the System will use the System as members of the general public, notwithstanding that such users utilize the System in their business capacities.

If any other municipality, instrumentality, public or private corporation, firm, or individual, shall avail itself of the facilities or services provided by the System or any part thereof, the same rates, fees, rents, or other charges applicable to other customers receiving like services under similar circumstances shall be charged therefor. The Municipality will not provide water or sewer service on a "take or pay" basis without first obtaining an opinion of Nationally Recognized Bond Counsel that the same will not adversely affect the tax-exempt status of interest on the Series 2019 Bonds.

Such charges shall be paid as they accrue. The Revenues so received shall be deemed to be Revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other Revenues derived from such operation of the System.

SECTION 7.08. ENFORCEMENT OF COLLECTION. The Municipality will diligently enforce and collect all rates, fees, rents, or other charges for the services and facilities of the System, and take all steps, actions, and proceedings for the enforcement and collection of such rates, fees, rents, or other charges which shall become delinquent to the full extent permitted or authorized by the laws of the State of Mississippi.

The Municipality will, to the full extent permitted by law, under reasonable rules and regulations, shut off and discontinue the supplying of the services and facilities of the System for the non-payment of rates, fees, rents, or other charges for services of the System, and will not restore said services until all delinquent rates, fees, rents, other charges, and reasonable penalties have been paid in full.

SECTION 7.09. NO COMPETING FACILITIES. The Municipality will not grant any franchise, license, or permit for the construction or operation of any facilities which will be competitive with the services and facilities of the System and will oppose the granting of any such franchise by any other public board having jurisdiction over such matters; provided, however, that this Section shall not affect any vested rights of any persons, firms, or corporations now owning or operating such facilities.

SECTION 7.10. CONSULTING ENGINEER. The Municipality will retain Consulting Engineer to inspect the System and make the annual report and to perform the duties provided for herein for such Consulting Engineer.

SECTION 7.11. COVENANTS REGARDING TAX EXEMPTION OF SERIES 2019 BONDS.

(a) The Municipality covenants and certifies to and for the benefit of the owners of the Series 2019 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 Series 2019 Bonds, including amounts treated as proceeds, if any, which will cause the Series 2019 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 Series 2019 Bonds, at the time of such action, investment, or use.

(b) (1) In the event it is subsequently determined for any reason that rebates should be made on the Series 2019 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 Series 2019 Bonds shall be treated as an arbitrage bond 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.

(2) In order to effectuate the foregoing covenants, the Municipality hereby covenants and certifies that: (A) prior to delivery of the Series 2019 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 Series 2019 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 Series 2019 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 Series 2019 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 Series 2019 Bonds in a manner or for a price which would cause any of the Series 2019 Bonds to be or become an arbitrage bond, 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 City Clerk are hereby authorized to execute a "nonarbitrage and federal tax certificate" in connection with the sale and delivery of the Series 2019 Bonds, setting forth the reasonable expectations of the Municipality with respect to the investment and use of proceeds of the Series 2019 Bonds and also setting forth certain covenants, stipulations, and certifications with respect to the investment and expenditures of the proceeds of the Series 2019 Bonds, and the Municipality shall comply with all certifications, stipulations, and covenants set forth in such certificate. 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 7.12. OTHER COVENANTS REGARDING TAX EXEMPT STATUS.

(a) The Municipality shall take such actions as may be necessary in order to assure that the Series 2019 Bonds are not "private activity bonds" within the meaning of Section 141 of the Code.

(b) No more than ten percent (10%) of the proceeds of the Series 2019 Bonds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

(c) No more than ten percent (10%) of any property with respect to which all or any part of the proceeds of the Series 2019 Bonds will be used, directly or indirectly, in a trade or business carried on by any person other than a governmental unit.

(d) None of the proceeds of the Series 2019 Bonds 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.

(e) The amount of proceeds of the Series 2019 Bonds used with respect to any private business use which is related to a governmental use of such proceeds of the Series 2019 Bonds will not exceed the amount of proceeds of the Series 2019 Bonds which are used for the governmental use to which such private business use relates.

(f) None of the proceeds of the Series 2019 Bonds 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 ten percent (10%) of the proceeds of the Series 2019 Bonds be (under the terms of the Series 2019 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.

(h) 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 Series 2019 Bonds, (2) were or are to be sold pursuant to the same plan of financing as the financing plan for the Series 2019 Bonds, and (3) are payable directly or indirectly by the Municipality or from substantially the same source from which the Series 2019 Bonds are payable. The Municipality covenants and certifies that there are no additional facts or circumstances which may further evidence that the Series 2019 Bonds are part of any other issue of obligations.

(i) The Municipality covenants and certifies that no payment of principal of or interest on the Series 2019 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. The Municipality represents, warrants and covenants that none of the bond proceeds 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 2019 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 Series 2019 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.

(j) 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 Series 2019 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 7.13. WHEN COMPUTATIONS, DEPOSITS, OR REBATE PAYMENTS ARE NOT REQUIRED. In the event it is determined that the Series 2019 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 7.11 and 7.12 herein are not required to be made in order to maintain the tax-exempt status of interest on the Series 2019 Bonds, the Municipality need not make such computations, deposits or payments.

SECTION 7.14. COVENANT REGARDING HEDGE BONDS. The Municipality reasonably expects that not less than eighty-five percent (85%) of the spendable proceeds of the Series 2019 Bonds will be used to carry out the governmental purposes of the Series 2019 Bonds within a three-year period beginning on the date of issuance of the Series 2019 Bonds. No more than fifty percent (50%) of the proceeds of the Series 2019 Bonds 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 (4) years or more.

SECTION 7.15. CONTINUING DISCLOSURE. The Municipality hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Bond Resolution, failure of the Municipality to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default pursuant to Section 8.01 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 7.16. BOOK-ENTRY SYSTEM. Notwithstanding anything herein to the contrary, the Series 2019 Bonds shall be initially issued in the form of a separate, single, and fully registered Series 2019 Bond for each of the maturities thereof. In such case, upon initial issuance, the ownership of each such Series 2019 Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 7.17 hereof, all of the outstanding Series 2019 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Series 2019 Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Municipality 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 Series 2019 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 Series 2019 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 Series 2019 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 Series 2019 Bonds. Notwithstanding any other provision of this Bond Resolution to the contrary, the Municipality and the Paying Agent shall be entitled to treat and consider the Person in whose name each Series 2019 Bond is registered in the Bond Register as the absolute owner of such Series 2019 Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Series 2019 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2019 Bond, for the purpose of registering transfers with respect to such Series 2019 Bond, and for all other purposes whatsoever. The Paying Agent, shall pay all principal of, premium, if any, and interest on the Series 2019 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 Series 2019 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 Series 2019 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 7.17. SUCCESSOR SECURITIES DEPOSITORY; TRANSFERS OUTSIDE BOOK-ENTRY 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 Series 2019 Bonds that they be able to obtain certificated Series 2019 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 Series 2019 Bond certificates to such successor securities depository or (b) notify DTC and DTC participants of the availability through DTC of Series 2019 Bond certificates and transfer one or more separate Series 2019 Bond certificates to DTC participants having Bonds credited to their DTC accounts. In such event, the Series 2019 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 Series 2019 Bonds shall designate, in accordance with the provisions of this Bond Resolution.

SECTION 7.18. PAYMENTS AND NOTICES TO CEDE & CO. Notwithstanding any other provision of this Bond Resolution to the contrary, so long as any of the Series 2019 Bonds are 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 Series 2019 Bond and all notices with respect to such Series 2019 Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE VIII
DEFAULT AND REMEDIES

SECTION 8.01. DEFAULT. An "Event of Default" as used in this Bond Resolution shall mean any of the following: (a) failure to pay the principal of, premium, if any, or interest on any of the Bonds when such payments shall become due, (b) 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 Bond Insurer, if any, provided that, if such default cannot with due diligence and dispatch be wholly cured within thirty (30) days but can be wholly cured, the failure of the Municipality to remedy such default within such thirty (30) day period shall not constitute a default hereunder if the Municipality shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch within no longer than sixty (60) days after the aforesaid written notice, and (c) filing by the Municipality of a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable federal or state law.

SECTION 8.02. REMEDIES. The Registered Owner of any of the Bonds may, 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 acts and duties to be performed by the Municipality under the provisions of the Act and of this Bond Resolution. If there be any default in the payment of the principal of and interest on the Bonds, any court having jurisdiction in the proper action may, upon petition of the Registered Owners of a majority in principal amount of the Bonds then Outstanding, appoint a receiver to administer and operate the System with power to fix rates and collect charges sufficient to provide for the payment of the Bonds and to pay the expense of operating and maintaining the System in conformity with the provisions of the Act and of this Bond Resolution.

ARTICLE IX
ADDITIONAL BONDS; DEFEASANCE

SECTION 9.01. ADDITIONAL BONDS. So long as any of the Series 2019 Bonds are Outstanding, no Additional Bonds shall be issued unless the following conditions are complied with:

(a) The Municipality must be current in all deposits into the various funds and all payments theretofore required to have been deposited or made by it under the provisions of this Bond Resolution.

(b) If the Additional Bonds are to be issued for the purpose of financing improvements, repairs, or extensions to the System or acquisitions for the System, then:

(1) The amount of the Net Revenues during any twelve (12) consecutive months of the eighteen (18) months immediately preceding the delivery of the Additional Bonds, as certified by the Consulting Engineer, the Municipal Advisor, or an accountant, will be equal to one hundred twenty percent (120%) of the Maximum Annual Debt Service Requirement for the then Outstanding Bonds.

(2) The Consulting Engineer, the Municipal Advisor, or an accountant shall also certify that the amount of the Net Revenues derived from the operation of the System in each year after acquisitions for the System or completion of improvements, repairs, or extensions to the System and during the period such Additional Bonds will be Outstanding, as estimated by the Consulting Engineer, the Municipal Advisor, or an accountant, will, in each year, be at least equal to one hundred twenty percent (120%) of the principal and interest which will mature and become due in each such year on (A) the then Outstanding Bonds, and (B) the Additional Bonds then proposed to be issued.

(3) If such Additional Bonds are being issued for the purpose of extending the System by acquiring operating utility properties having an earnings record, the Consulting Engineer, the Municipal Advisor, or an accountant shall estimate the effect on the Net Revenues of the acquisition of such utility properties and the integration thereof into the System, and shall certify that the amount of the Net Revenues derived from the operation of the System in each year after such acquisition and during the period such Additional Bonds will be Outstanding, as estimated by the Consulting Engineer, will, in each year, be at least equal to one hundred twenty percent (120%) of the principal and interest which will mature and become due in each such year on (A) the then Outstanding Bonds, and (B) the Additional Bonds then proposed to be issued. Any such estimate shall be based upon the operating experience and records of the Municipality during the period in which the System has been operated by the Municipality and upon any available financial statements and records relating to the earnings of such utility properties to be acquired.

(4) If any changes have been made and are in effect at the time of the adoption of the Additional Bonds Resolution in the schedule of rates and charges imposed by the Municipality for services furnished by the System which were in effect during any part of the consecutive twelve-month period referred to in this Section, the Consulting Engineer, the Municipal Advisor, or accountant may, if such changes resulted in increases in such rates and charges, and shall, if such changes resulted in reductions in such rates and charges, adjust the Net Revenues to be certified for such consecutive twelve-month period to reflect any change in such Net Revenues which would have occurred if the schedule of rates and charges in effect at the

time of the adoption of the Additional Bonds Resolution had been in effect during that portion of such consecutive twelve-month period in which such schedule was not in effect.

(c) If the Additional Bonds are to be issued for the purpose of refunding all or a portion of any series of Outstanding Bonds, the issuance of such Additional Bonds shall either result in a net present value debt service savings of not less than two percent (2%) of the principal amount of the Bonds to be refunded or the issuance of such Additional Bonds shall satisfy the applicable tests set forth in Section 9.01(a) and Section 9.01(b).

(d) The Municipality covenants and provides in this Bond Resolution that the Additional Bonds Resolution shall provide that the Debt Service Reserve Account shall be additionally fully funded in an amount equal to the Reserve Account Requirement.

(e) The Additional Bonds Resolution must provide that principal shall mature on the Payment Date on which principal is due and interest shall come due on the Payment Date on which interest is due.

(f) All of such Additional Bonds, regardless of the time or times of their issuance shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment therefrom without preference of any Bonds over any other.

(g) The Municipality shall not issue any obligations whatsoever payable from the Net Revenues of the System which rank equally as to lien and source and security for their payment from such Net Revenues with the Bonds, except in the manner and under the conditions provided in this Section. The Municipality may issue bonds junior and subordinate to the Bonds at any time, provided that the issuance of such bonds does not violate any covenants of the Municipality concerning any of its then Outstanding Bonds.

SECTION 9.02. DEFEASANCE OF SERIES 2019 BONDS. If the Municipality shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2019 Bonds the principal of, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Resolution, then the pledge of any Net Revenues, and other funds and securities pledged under this Bond Resolution and all covenants, agreements, and other obligations of the Municipality to the Bondholders, shall thereupon cease, terminate, and become void and be discharged and satisfied.

The Series 2019 Bonds or interest installments for the payment or redemption of which funds shall have been set aside and shall be held in trust by the Paying Agent (through deposit by the Municipality of funds for such payment or redemption or otherwise) shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. All Outstanding Series 2019 Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section if (a) in case any of said Series 2019 Bonds are to be redeemed on any date prior to their maturity, the Municipality shall have adopted a resolution or order directing the call and redemption of such Series 2019 Bonds on said date, (b) there shall have been deposited with the Paying Agent either funds in an amount which shall be sufficient, or funds which shall be invested in direct obligations of the United States of America or obligations the principal of and interest on which is guaranteed by the United States of America and which are not redeemable prior to their maturity by the issuer or any other person other than the holder thereof, the principal of and the interest on which obligations when due will provide funds which, together with the funds, if any, deposited with the Paying Agent at the same time, shall be sufficient, without reinvestment, to pay when due the principal or redemption price, if applicable, and interest due and to become due on said Series 2019 Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (c) in the event said Series 2019 Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Municipality shall have adopted a resolution or order directing the call and redemption of such Series 2019 Bonds and notice to the Holders of such Series 2019 Bonds has been given that the deposit required by (b) above has been made with the Paying Agent and that said Series 2019 Bonds are deemed to have been paid in accordance with this Section and stating such maturing or redemption date upon which funds are to be available for the payment of the principal or redemption price, if applicable, on said Series 2019 Bonds on such date. Neither investments nor funds deposited with the Paying Agent pursuant to this Section nor principal or interest payments on any such investments shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or interest payments on the Series 2019 Bonds; provided, that if the interest on such investments deposited with the Paying Agent, if not then needed for such purpose, may to the extent practicable and legally permissible, be reinvested in investments of the type allowed in Section 5.04 of this Bond Resolution maturing at times and in amounts sufficient to pay when due the principal or redemption price, if applicable, on the interest date or maturity date thereof, as the case may be, and interest earned from such reinvestments may be paid over to the Municipality, as received by the Paying Agent, free and clear of any trust, lien or pledge.

Amounts paid by the Bond Insurer, if any, to the Holders of the Series 2019 Bonds shall not constitute the payment of the Series 2019 Bonds pursuant to this Section, and the Series 2019 Bonds shall continue to be Outstanding and the amounts due thereon shall continue to be due and owing hereunder until paid in accordance with this Bond Resolution.

ARTICLE X
NOTICE OF BOND SALE

SECTION 10.01. NOTICE OF BOND SALE. As required by Section 31-19-25, Mississippi Code of 1972, as amended, the City Clerk is hereby authorized and directed to give the Notice by publishing an advertisement at least two (2) times in *The Starkville Daily News*, a newspaper published in and of general circulation in the Municipality, the first publication thereof to be made at least ten (10) days preceding the date fixed herein for the receipt of bids. The Notice shall be in substantially the following form:

NOTICE OF BOND SALE

$10,000,000
COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019
OF THE
CITY OF STARKVILLE, MISSISSIPPI

NOTICE IS HEREBY GIVEN that the Mayor and Board of Aldermen of the City of Starkville, Mississippi (the "Governing Body" of the "Municipality") will receive sealed bids at the City Hall located at 110 West Main Street, Starkville, Mississippi, until the hour of 4:00 p.m. on Tuesday, April 2, 2019, at which time said bids will be publicly opened and read for the purchase in its entirety, at not less than par and accrued interest to the date of delivery thereof, of an issue of Ten Million Dollars ($10,000,000) Combined Water and Sewer System Revenue Bonds, Series 2019, of the Municipality (the "Series 2019 Bonds"). The City Clerk of the Municipality will act on behalf of the Governing Body to receive such bids at the aforesaid date, time, and place. Award of the bid will be made at the regular meeting of the Governing Body on Tuesday, April 2, 2019, at 5:30 p.m.

THE SERIES 2019 BONDS: The Series 2019 Bonds will be dated and bear interest from May 1, 2019; will be delivered in definitive form as registered bonds; will be in the denomination of Five Thousand Dollars ($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 payable as to principal at a bank or trust company to be named by the Governing Body, in the manner hereinafter provided; and will bear interest, payable on May 1, 2020, and semiannually thereafter on May 1 and November 1 of each year at the rate or rates offered by the successful bidder in its bid in accordance with this Notice of Bond Sale.

MATURITIES: The Series 2019 Bonds will mature serially, with option of prior payment, on May 1 in each of the years and amounts as follows:

YEAR	AMOUNT
2020	$335,000
2021	$350,000
2022	$365,000
2023	$380,000
2024	$395,000
2025	$410,000
2026	$425,000
2027	$440,000
2028	$460,000
2029	$480,000
2030	$495,000
2031	$515,000
2032	$535,000
2033	$560,000
2034	$580,000
2035	$605,000
2036	$630,000
2037	$655,000
2038	$680,000
2039	$705,000

REDEMPTION: The Series 2019 Bonds maturing after May 1, 2029, are subject to redemption prior to their stated dates of maturity at the option of the Municipality, on and after May 1, 2029, at par, plus accrued interest to the date of redemption, either in whole or in part, in whole or in part on any date, in inverse order of maturity. Interest shall cease to accrue on any of the Series 2019 Bonds which are duly called for redemption on the date set for redemption if payment thereof on the redemption date has been duly made or provided for. At least thirty (30) days before the redemption date of any Series 2019 Bonds, the City Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the City Clerk, (1) to be filed with the Paying Agent (as hereinafter defined) and (2) to be mailed, postage prepaid, to all Registered Owners of the Series 2019 Bonds at their addresses as they appear on the registration books of the Paying Agent, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid, the place or places at which payment shall be made and, if less than all of the Series 2019 Bonds of any one maturity shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2019 Bonds to be redeemed.

AUTHORITY AND SECURITY: The Series 2019 Bonds will be issued pursuant to the authority of Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and the resolution of the Municipality adopted March 5, 2019, authorizing and directing the issuance of the Series 2019 Bonds (the “Bond Resolution”). The principal of, premium, if any, and interest on the Series 2019 Bonds will be payable solely from (i) a sufficiency of the revenues derived from the operation of the combined water and sewer system (the "System") of the Municipality, subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the System and the payment of any loans from the State of Mississippi as of the date of issuance of the Series 2019 Bonds, and (ii) the Current Debt Service Account and the Debt Service Reserve Account provided for in the Bond Resolution, both of which sources have been pledged on a parity of lien with any Additional Bonds issued in the future as authorized in the Bond Resolution.

PURPOSE: The Series 2019 Bonds are being issued to provide funds for improvements, repairs, and extensions to the combined the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality.

FORM OF BIDS: Bids should be addressed to the Mayor and Board of Aldermen and should be plainly marked "Bid for $10,000,000 Combined Water and Sewer System Revenue Bonds, Series 2019, of the City of Starkville, Mississippi," and should be filed with the City Clerk of the Municipality on or prior to 4:00 p.m. on Tuesday, April 2, 2019. All bids should be submitted via the Official Bid Form prepared by the Municipality, copies of which may be obtained from the Municipality.

INTEREST RATE AND BID RESTRICTIONS: The Series 2019 Bonds shall not bear a greater overall maximum interest rate to maturity than thirteen percent (13%) per annum, nor shall the interest rate for any one maturity exceed thirteen percent (13%) per annum. No Series 2019 Bond shall bear more than one (1) rate of interest; each Series 2019 Bond shall bear interest from its date to its stated maturity date at the interest rate specified in the bid; all Series 2019 Bonds of the same maturity shall bear the same rate of interest from date to maturity; and the lowest interest rate specified shall not be less than seventy percent (70%) of the highest interest rate specified. Each interest rate specified in any bid must be a multiple of one-eighth of one percent (1/8th of 1%) or one-tenth of one percent (1/10th of 1%), and a zero rate of interest cannot be named.

GOOD FAITH DEPOSIT: Each bid must be accompanied by a cashier's check, certified check, or exchange, issued or certified by a bank located in the State of Mississippi, payable to the Mayor and Board of Aldermen of the City of Starkville, Mississippi, in the amount of Two Hundred Thousand Dollars ($200,000), as a guaranty that the bidder will carry out its contract and purchase the Series 2019 Bonds if its bid be accepted. All checks of unsuccessful bidders will be returned immediately on award of the Series 2019 Bonds. If the successful bidder fails to purchase the Series 2019 Bonds pursuant to its bid and contract, then the amount of such good faith check shall be retained by the Municipality as liquidated damages for such failure. No interest will be allowed on the amount of the good faith deposit.

AWARD OF SERIES 2019 BONDS: The award, if any, will be made to the bidder complying with the terms of sale and offering to purchase the Series 2019 Bonds at the lowest net interest cost to the Municipality, which shall be determined by computing the aggregate interest on the Series 2019 Bonds over the life of the issue at the rate or rates of interest specified by the bidder, less premium offered, if any. It is requested that each bid be accompanied by a statement of the net interest cost (computed to six decimal places), but such statement will not be considered a part of the bid. All bids shall remain firm until an award of the Series 2019 Bonds, or rejection of bids, will be made by the Governing Body at the regular meeting of the Governing Body on 5:30 p.m. on Tuesday, April 2, 2019.

RIGHT OF REJECTION, CANCELLATION: The Governing Body reserves the right to reject any or all bids submitted, as well as to waive any irregularity or informality in any bid. The successful bidder shall have the right, at its option, to cancel its agreement to purchase the Series 2019 Bonds if the Series 2019 Bonds are not tendered for delivery within sixty (60) days from the date of sale thereof, and in such event the Governing Body shall return to said bidder its good faith deposit. The Governing Body shall have the right, at its option, to cancel its agreement to sell the Series 2019 Bonds if within five (5) days after the tender of the Series 2019 Bonds for delivery the successful bidder shall not have accepted delivery of and paid for the Series 2019 Bonds, and in such event the Governing Body shall retain the successful bidder's good faith deposit as liquidated damages as hereinabove provided.

PAYING AGENT, TRANSFER AGENT, AND REGISTRAR: The successful bidder may designate a bank or trust company located within the State of Mississippi to serve as paying agent (the "Paying Agent") for the Series 2019 Bonds within forty-eight (48) hours of the date of the sale of the Series 2019 Bonds, subject to the approval of the Board. The Board's approval of the Paying Agent shall be contingent on a determination as to the willingness and ability of the Paying Agent to perform the duties of registrar and transfer agent and on the satisfactory negotiation of service fees. The Paying Agent shall be subject to change by order of the Governing Body under the conditions and in the manner provided in the Bond Resolution under which the Series 2019 Bonds are issued. Both principal of and interest on the Series 2019 Bonds will be payable by check or draft mailed to Registered Owners of the Series 2019 Bonds as of the fifteenth (15^{th}) day of the month preceding the maturity date for such principal or interest payment at the addresses appearing in the registration records of the Municipality maintained by the Paying Agent. The Series 2019 Bonds will be transferable only upon the books of the Paying Agent, and payment of principal at maturity shall be conditioned on the proper presentation and surrender of the Series 2019 Bonds to the Paying Agent.

DELIVERY: The successful bidder must designate within twenty (20) days of the date of sale, or at such other later date as may be designated by the Governing Body, the names and addresses of the Registered Owners of the Series 2019 Bonds and the denominations in which the Series 2019 Bonds of each maturity are to be issued. If the successful bidder fails to submit such information within the required time, one Series 2019 Bond may be issued for each maturity in the full amount maturing on that date registered in the name of the successful bidder. The Series 2019 Bonds will be delivered at a place to be designated by the purchaser and without cost to the purchaser, and payment therefor shall be made in immediately available funds.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Series 2019 Bonds unless specifically declined by the purchaser, but neither the failure to print such number on any Series 2019 Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2019 Bonds in accordance with the terms of the purchase contract. All expenses in relation to the printing of CUSIP numbers on the Series 2019 Bonds shall be paid by the Municipality; the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

LEGAL OPINION; CLOSING DOCUMENTS: The Series 2019 Bonds are offered subject to the unqualified approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, as Bond Counsel. In the opinion of Bond Counsel, interest on the Series 2019 Bonds is excluded from gross income for purposes of federal and Mississippi income taxes under existing laws, regulations, rulings, and judicial decisions with such exceptions as shall be described in the Official Statement for the Series 2019 Bonds. A copy of the opinion of Bond Counsel, together with the usual closing papers, including a no-litigation certificate dated the date of delivery of the Series 2019 Bonds, evidencing that no litigation is pending in any way affecting the legality of the Series 2019 Bonds or the revenues pledged for the payment of the principal thereof and interest thereon, and a transcript of the proceedings relating to the Series 2019 Bonds, will be delivered to the successful bidder without charge. The Municipality will pay for all legal fees and will pay for the printing and validation of the Series 2019 Bonds.

SERIES 2019 BONDS NOT QUALIFIED TAX-EXEMPT OBLIGATIONS: The Municipality has not designated the Series 2019 Bonds as qualified tax-exempt obligations within the meaning and for purposes of Section 265(b)(3) of the Code.

INFORMATION FROM PURCHASER: The purchaser must certify to the Municipality the initial offering price to the public (excluding bond houses, brokers, and other intermediaries) of each maturity of the Series 2019 Bonds at which a substantial amount of Series 2019 Bonds of that maturity were sold, to enable the Municipality to compute the yield on the Series 2019 Bonds for federal arbitrage law purposes.

FURTHER INFORMATION: The Municipality has prepared a Preliminary Official Statement which it deems, for purposes of S.E.C. Rule 15c2-12, to be final and complete as of its date except for the omission of the offering prices, interest rates, and any other terms of the Series 2019 Bonds depending on such matters, subject to revision, amendment, and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Upon the award of the Series 2019 Bonds, the Municipality will publish an Official Statement in substantially the same form as the Preliminary Official Statement subject to minor additions, deletions, and revisions as required to complete the Preliminary Official Statement. The Municipality will furnish sufficient copies of the Official Statement to the successful bidder of the Series 2019 Bonds without charge within seven (7) business days after the award of the bid. By submission of its bid, the successful bidder will be deemed to have agreed to supply to the Municipality all necessary pricing information and any purchaser or underwriter identification determined by the Municipality to be necessary for the Official Statement within twenty-four (24) hours after the award of the Series 2019 Bonds. A copy of the Preliminary Official Statement may be obtained from the Municipality.

CONTINUING DISCLOSURE: In order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), the Municipality will undertake, pursuant to the Bond Resolution and a Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Failure of the Municipality to deliver the Continuing Disclosure Agreement at the time of issuance and delivery of the Series 2019 Bonds shall relieve the successful bidder from its obligation to purchase the Series 2019 Bonds.

By order of the Mayor and Board of Aldermen of the City of Starkville, Mississippi, on March 5, 2019.

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Lesa Hardin, City Clerk

Publication Information:
The Starkville Daily News
March 19, 2019, and March 26, 2019

ARTICLE XI
BOND INSURANCE; BOND RATING; AMENDMENTS; MISCELLANEOUS

SECTION 11.01. RESOLUTION CONSTITUTES CONTRACT. In consideration of the acceptance of the Series 2019 Bonds by those who shall hold the same from time to time, this Bond Resolution shall be deemed to be and shall constitute a contract between the Municipality and such Bondholders, and the covenants and agreements herein set forth to be performed by the Municipality shall be for the equal benefit, protection, and security of the legal holders of any and all of the Series 2019 Bonds, all of which shall be of equal rank and without preference, priority, or distinction of any of the Series 2019 Bonds over any other thereof except as expressly provided therein and herein.

SECTION 11.02. BOND INSURANCE AND RATING AUTHORIZED.

(a) The Mayor is hereby authorized to execute a commitment for a Bond Insurance Policy and to do such other things and take such other actions as may be necessary to obtain such Bond Insurance Policy for the Bonds if the Mayor determines that obtaining such Bond Insurance Policy is in the best interests of the Municipality or that the Municipality may realize a savings in connection with the issuance of the Series 2019 Bonds.

(b) The provisions of the Bond Insurance Policy (if any) and the commitment pertaining thereto, together with any attachments and documents referenced therein, as long as the Bond Insurance Policy remains outstanding and the Bond Insurer has not failed to comply with its payment obligations thereunder and notwithstanding anything contained in this Bond Resolution to the contrary, shall govern and are made a part of this Bond Resolution as though set forth in full herein. In addition to all notices and reporting requirements specifically set forth herein, the Bond Insurer shall be provided with such additional information as the Bond Insurer may reasonably request from time to time.

(c) The Series 2019 Bonds are issued subject to certain requirements and covenants set forth in this Bond Resolution, including without limitation those requirements and covenants pertaining to the Bond Insurance Policy, if any, for the Series 2019 Bonds.

(d) The Mayor is hereby authorized to obtain a bond rating with regard to the sale of the Series 2019 Bonds, and to execute such documents and to do such other things and take such other actions as may be necessary with regard thereto, if the Mayor determines that obtaining such rating or ratings is in the best interests of the Municipality or that the Municipality may realize a savings in connection with the issuance of the Series 2019 Bonds.

SECTION 11.03. 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 ($2/3^{rds}$) or more in principal amount of the Series 2019 Bonds then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of the Series 2019 Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the Municipality to fix, maintain, and collect rates, fees, rents, and other charges for the System or to pay the interest and principal on the Series 2019 Bonds, as the same mature and become due, from the Net Revenues of the System, or reduce such percentage of Holders of the Series 2019 Bonds required above for such modification or amendment without the consent of the Holders of all of the Series 2019 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 defect 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;

(3) to subject to the lien of the Bonds and the pledge herein contained additional Revenues or receipts;

(4) to provide for the use of a Reserve Fund Surety Bond in the Debt Service Reserve Account; or

(5) to provide for the issuance of Additional Bonds.

(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 Series 2019 Bonds with the consent of the Purchaser and the Bond Insurer, if any.

SECTION 11.04. SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements, or provisions of this Bond Resolution should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements, or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements, or provisions, and shall in no way affect the validity of any of the other provisions of this Bond Resolution or of the Series 2019 Bonds issued hereunder.

SECTION 11.05. PAYMENTS DUE ON DAYS OTHER THAN BUSINESS DAYS. In any case where the date of maturity of interest on or principal of the Series 2019 Bonds or the date fixed for redemption of any Series 2019 Bonds, or the date on which any funds are required to be deposited into a fund pursuant hereto, shall be a day other than a Business Day, then paying of interest or principal, and premium, if any, or deposit into the funds pursuant hereto, 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, or the date fixed for deposit into a fund, and no interest shall accrue for the period after such date.

SECTION 11.06. OFFICIAL STATEMENT; CONTINUING DISCLOSURE. (a) 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 A**.

(b) 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.

(c) 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.

(d) The Governing Body hereby approves and adopts the Continuing Disclosure Agreement attached to the Preliminary Official Statement, and approves and authorizes the execution of said Continuing Disclosure Agreement 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 11.07. REOFFER OF SERIES 2019 BONDS. It is specifically provided, notwithstanding the dates set out in this Bond Resolution for the date of the Series 2019 Bonds and the payment dates for principal and interest, that in the event the delivery of the Series 2019 Bonds is delayed by a contest of the validation of the Series 2019 Bonds or otherwise, and the initial Purchaser shall decline to take delivery of the Series 2019 Bonds, then the Series 2019 Bonds may be reoffered for sale. In such event, all principal maturities may be adjusted so that such maturities will fall due in the same amounts and intervals as herein provided, but beginning on the next first day of April that is more than six (6) months from the actual date of the Series 2019 Bonds as provided by the subsequent resolution directing the sale thereof, and continuing through the twentieth (20th) anniversary date from such first principal payment. The interest payments may also be adjusted accordingly, with interest payments due semiannually, commencing on the next May 1 or November 1 following such actual date of the Series 2019 Bonds. After the validation of the Series 2019 Bonds, no amendment, revision, or supplement contemplated by this Section shall be cause for the re-submission of the proceedings for the issuance of the Series 2019 Bonds, as amended, revised, or supplemented, to any further validation proceedings, it being the intent of this Bond Resolution that any such amendments, revisions, or supplements be covered by the initial validation proceeding.

SECTION 11.08. ALLOCATION OF FUNDS. Whenever any amounts are required by this Bond Resolution to be on deposit in a specified account or fund, it shall be sufficient if there is a clear allocation of such amounts in the records of the Municipality, notwithstanding that such amounts are combined with other funds of the Municipality in a combined deposit or investment.

SECTION 11.09. BOND RESOLUTION FOR BENEFIT OF MUNICIPALITY, PAYING AGENT, AND REGISTERED OWNERS. Nothing in this Bond Resolution expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Municipality, the Paying Agent, and the Registered Owners of the Series 2019 Bonds, any right, remedy or claim under or by reason of this Bond Resolution or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Bond Resolution contained by and on behalf of the Municipality shall be for the sole and exclusive benefit of the Municipality, the Paying Agent, and the Registered Owners of the Series 2019 Bonds.

SECTION 11.01. POST ISSUANCE COMPLIANCE PROCEDURES. The Municipality hereby approved and adopts the Post Issuance Compliance Procedures are hereby authorized in substantially the form attached hereto as **Attachment B.**

ARTICLE XII
FURTHER ACTION; REPEALING CLAUSE AND EFFECTIVE DATE

SECTION 12.01. FURTHER ACTION. At some appropriate time hereafter, this Governing Body shall take such further action as may be necessary to provide for the preparation, execution, issuance and delivery of the Series 2019 Bonds.

SECTION 12.02. REPEALING CLAUSE AND EFFECTIVE DATE. All ordinances, resolutions, or orders of the Governing Body in conflict with the provisions of this Bond Resolution 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 immediately upon the adoption thereof.

Alderman Jason Walker offered 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
Alderwoman Sandra C. Sistrunk	voted: aye
Alderman David Little	voted: aye
Alderman Jason Walker	voted: aye
Alderman Patrick Miller	voted: aye
Alderman Roy A. Perkins	voted: nay
Alderman Henry N. Vaughn, Sr.	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 on the 5th day of March, 2019.

City of Starkville, Mississippi

D. Lynn Spruill, Mayor

ATTEST:

Lesa Hardin, City Clerk

CITY OF STARKVILLE STATE OF MISSISSIPPI

ATTACHMENT A

PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED __________, 2019

BOOK-ENTRY

RATING: Moody's: ___
(See "RATING" herein)

In the opinion of Bond Counsel, assuming the accuracy of certain representations herein and continuing compliance with all covenants set forth in the Bond Resolution, and subject to the conditions set forth herein, under existing statutes, regulations, rulings, and decisions, as presently interpreted and construed, interest on the Series 2019 Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code, except as described in "TAX EXEMPTION" herein. Bond Counsel is of the opinion that under existing law, interest on the Series 2019 Bonds earned by the respective owners thereof is exempt from State of Mississippi income taxes.

$10,000,000
COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019
CITY OF STARKVILLE, MISSISSIPPI

DATED: May 1, 2019 **DUE: May 1, as shown below**

Interest on the Series 2019 Bonds is payable on May 1, 2020, and semiannually thereafter on May 1 and November 1 of each year. Payments of interest on the Series 2019 Bonds will be made to the Record Date Registered Owner, and payments of principal and premium, if any, will be made upon presentation and surrender of the Series 2019 Bonds at the principal office of the Paying Agent to the Record Date Registered Owner. The Series 2019 Bonds will be issued as fully registered bonds in the denomination of $5,000 each, or any integral multiple thereof up to the amount of a single maturity. The Series 2019 Bonds will be subject to redemption as set forth herein.

The Series 2019 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 March 5, 2019. The principal of, premium, if any, and interest on the Series 2019 Bonds will be payable solely from a sufficient amount of the Net Revenues of the System and from the Current Debt Service Account and the Debt Service Reserve Account, all as provided in the Bond Resolution. The Series 2019 Bonds shall not be or constitute an indebtedness of the Municipality within the meaning of any constitutional, statutory or charter limitation of indebtedness.

Year of Maturity	Principal Amount	Interest Rate	Yield	Year of Maturity	Principal Amount	Interest Rate	Yield
2020	$335,000			2030	$495,000		
2021	$350,000			2031	$515,000		
2022	$365,000			2032	$535,000		
2023	$380,000			2033	$560,000		
2024	$395,000			2034	$580,000		
2025	$410,000			2035	$605,000		
2026	$425,000			2036	$630,000		
2027	$440,000			2037	$655,000		
2028	$460,000			2038	$680,000		
2029	$480,000			2039	$705,000		

The Series 2019 Bonds are being offered for sale in accordance with the official Notice of Bond Sale dated March 5, 2019. Sealed bids for the Series 2019 Bonds will be received at 4:00 o'clock p.m. on April 2, 2019, by the Mayor and Board of Aldermen of the City of Starkville, Mississippi, in the City Hall located at 110 West Main Street in the City of Starkville, Mississippi.

The Series 2019 Bonds are <u>not</u> being offered as qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code.

The Series 2019 Bonds are offered subject to the final approval of the legality thereof by Jones Walker LLP, Jackson, Mississippi, Bond Counsel. It is expected that the Series 2019 Bonds will be available for delivery in book type and entry-only form delivered to DTC, New York, New York, on or about May 1, 2019.

No dealer, broker, salesman, or other person has been authorized to make any representations with respect to the Series 2019 Bonds other than those contained in this Official Statement, and if given or made, such other information or representation must not be relied upon. This Official Statement, which includes the cover page and Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy the Series 2019 Bonds in any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction. The information, estimates, and expressions of opinion contained herein are subject to change without notice, and while all information has been secured from sources which are believed to be reliable, all parties preparing and distributing this Official Statement make no guaranty or warranty relating thereto. All opinions, estimates, or assumptions, whether or not expressly identified, are intended as such and not as representations of fact. 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 Municipality or the System since the date hereof.

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CITY OF STARKVILLE, MISSISSIPPI

LYNN SPRUILL
Mayor

Board of Aldermen

BEN CARVER	DAVID LITTLE
PATRICK MILLER	ROY A'. PERKINS
SANDRA C. SISTRUNK	HENRY N. VAUGHN, JR.
JASON WALKER	

LESA HARDIN
City Clerk / CFO

CHRISTOPHER J. LATIMER
Mitchell, McNutt & Sams, P.A.
Oxford, Mississippi
Attorney for the Municipality

WATKINS, WARD AND STAFFORD, PLLC
Starkville, Mississippi
Certified Public Accountants for the Municipality

GOVERNMENT CONSULTANTS, INC.
Madison, Mississippi
Municipal Advisor

JONES WALKER LLP
Jackson, Mississippi
Bond Counsel

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OFFICIAL STATEMENT

$10,000,000
COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019
CITY OF STARKVILLE, MISSISSIPPI

INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the issuance of the Combined Water and Sewer System Revenue Bonds, Series 2019, dated May 1, 2019, in the aggregate principal amount of Ten Million Dollars ($10,000,000) (the "Series 2019 Bonds"), of the City of Starkville, Mississippi (the "Municipality"). In addition to any terms elsewhere defined herein, capitalized terms used in this Official Statement have the meanings set forth under the subheading "Defined Terms" herein below.

The Series 2019 Bonds will be issued pursuant to the provisions of Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and the resolution directing the issuance of the Series 2019 Bonds adopted by the Mayor and Board of Aldermen of the Municipality (the "Governing Body") on March 5, 2019 (the "Bond Resolution").

In order to issue the Series 2019 Bonds, the Governing Body adopted a resolution on September 18, 2018, declaring its intention to issue combined water and sewer system revenue bonds in the maximum principal amount of Ten Million Dollars ($10,000,000) to raise money for the purpose of improving, repairing, and extending (the "Authorized Purpose") the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality (the "System") and gave notice of such intention by publication of said resolution three times in a newspaper having a general circulation in the Municipality. If twenty percent (20%) of the qualified electors of the Municipality had filed a written protest against the issuance of such bonds on or before the date specified in said resolution, an election on the question of the issuance of such bonds would have been held. November 6, 2018, was set by the Governing Body as the date on or before which written protest was required to have been filed. No written protest was received on or before said date. The Municipality is now authorized and empowered by the Act to issue the Series 2019 Bonds to provide funds for the Authorized Purpose without the necessity of calling and holding an election on the question of the issuance thereof.

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 Series 2019 Bonds, the pledge of revenues for the payment of the principal of and interest on the Series 2019 Bonds and any Additional Bonds, the nature and extent of said pledge and the terms and conditions under which the Series 2019 Bonds are issued.

Defined Terms. In addition to any words and terms elsewhere defined herein or in the Bond Resolution, the following words and terms shall have the following meanings unless some other meaning is plainly intended:

"Act" shall mean Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended.

"Additional Bonds" shall mean Bonds issued on a parity of lien with the Series 2019 Bonds pursuant to the requirements of the Bond Resolution.

"Additional Bonds Resolution" shall mean any resolution of the Governing Body authorizing and directing the issuance of Additional Bonds.

"Annual Debt Service Requirement" shall mean for any Fiscal Year, the sum of the following with respect to all Bonds Outstanding: (a) all amounts required to pay principal (at maturity or upon mandatory redemption other than mandatory sinking fund redemption payments), (b) the amount of any mandatory sinking fund requirement (including for the Fiscal Year in which such Bonds shall be redeemed from the sinking fund only such amount as was not required to be funded prior to such Fiscal Year), and (c) interest due on all Bonds Outstanding.

“Authorized Purpose” shall mean improving, repairing, and extending the System.

"Bond" or "Bonds" shall mean the Series 2019 Bonds and any Additional Bonds hereafter issued under the terms, limitations, and conditions provided in the Bond Resolution.

"Bond and Interest Fund" shall mean the Bond and Interest Fund authorized, established, designated, and provided for in Section 5.03(a)(2) of the Bond Resolution.

"Bond Counsel" shall mean Jones Walker LLP, Jackson, Mississippi, or any other Nationally Recognized Bond Counsel.

"Bond Insurance Policy" shall mean the insurance policy, if any, issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2019 Bonds when due.

"Bond Insurer" shall mean such municipal bond insurer, if any, as is approved for such purpose by both the Purchaser and by the Mayor on behalf of the Municipality, or any successor thereto or assignee thereof.

"Bond Resolution" shall mean this resolution authorizing and directing the issuance of the Series 2019 Bonds.

"Bond Year" shall mean the period beginning on the Closing Date and ending on the last day of September next occurring and each one-year period thereafter during which any Series 2019 Bonds remain Outstanding; provided, however, that the final Bond Year shall end on the date the Series 2019 Bonds are retired.

"Bondholder" or "Holder" shall mean the Registered Owner of any Bond issued pursuant to the Bond Resolution.

"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.

"City Clerk" shall mean the City Clerk of the Municipality.

"Closing Date" with respect to the Series 2019 Bonds shall mean the date of issuance and delivery of the Series 2019 Bonds to the Purchaser, [and with respect to any Additional Bonds, shall mean the date of issuance and delivery of such Additional Bonds to the purchaser thereof.]

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented, or superseded, and the Treasury Regulations promulgated thereunder.

"Consulting Engineer" shall mean Volkert, Inc., Jackson, Mississippi, a competent engineering firm, engaged by the Municipality to study the System in order to determine the nature and extent of the Project and to make estimates of the cost thereof.

"Contingent Fund" shall mean the Combined Water and Sewer System Contingent Fund authorized, established, designated, and provided for in Section 5.03(a)(4) of the Bond Resolution.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement to be executed by the Municipality and dated the closing date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Current Debt Service Account" shall mean the Current Debt Service Account authorized, established, designated, and provided for in Section 5.03(a)(2)(A) of the Bond Resolution.

"Current Expenses" shall mean the reasonable and necessary current expenses of maintenance, repair, and operation of the System, and shall include, without limiting the generality of the foregoing, expenses not annually recurring, premiums for insurance, administrative, and engineering expenses relating to maintenance, repair, and operation, fees and expenses of the Paying Agent, legal and financial advisory expenses, taxes lawfully imposed on the System, reasonable payments to pension or retirement funds for employees of the System, and any other expenses of the System required or permitted to be paid by the Municipality under the provisions of the Bond Resolution, or by law, but shall not include any allowance for depreciation or deposits or transfers to the credit of the Bond and Interest Fund, the Depreciation Fund, or the Contingent Fund.

"Debt Service Reserve Account" shall mean the Debt Service Reserve Account authorized, established, designated, and provided for in Section 5.03(a)(2)(B) of the Bond Resolution.

"Defaulted Interest" shall mean interest on any Bond which is not paid on the date due.

"Defaulted Principal" shall mean principal of any Bond which is not paid on the date due.

"Depreciation Fund" shall mean the Combined Water and Sewer System Depreciation Fund authorized, established, designated, and provided for in Section 5.03(a)(3) of the Bond Resolution.

"DTC" shall mean The Depository Trust Company, New York, New York.

"Event of Default" shall mean an event of default as described in Section 8.01 of the Bond Resolution.

"Fiscal Year" with respect to the Municipality shall mean the period commencing on the first day of October of any year and ending on the last day of September of the following year.

"Governing Body" shall mean the Mayor and Board of Aldermen of the Municipality.

"Improvement Fund" shall mean the Combined Water and Sewer System Improvement Fund authorized, established, designated, and provided for in Section 6.01 of the Bond Resolution.

“Loans” shall mean any loans for the System existing on the date of issuance of the Series 2019 Bonds resulting from any loan agreements entered into by the Municipality under any loan programs of the State of Mississippi.

"Maximum Annual Debt Service Requirement" shall mean, at any given time of determination with respect to the Bonds, or any series thereof, an amount equal to the maximum Annual Debt Service Requirement coming due thereon for the then current or any future Fiscal Year.

"Mayor" shall mean the Mayor of the Municipality.

"Municipality" shall mean the City of Starkville, Mississippi.

“Municipal Advisor” shall mean Government Consultants, Inc., Madison, Mississippi.

"Nationally Recognized Bond Counsel" shall mean an attorney or firm of attorneys with a national reputation for rendering opinions in connection with the issuance of municipal obligations and the tax-exempt status under federal law of interest on such obligations.

"Net Revenues" shall mean all Revenues remaining after payment of Current Expenses and debt service on the Loans.

"Notice" shall mean the Notice of Bond Sale set out in Section 10.01 hereof.

"Operation and Maintenance Fund" shall mean the Combined Water and Sewer System Operation and Maintenance Fund authorized, established, designated, and provided for in Section 5.03(a)(1) of the Bond Resolution.

"Outstanding" in connection with the Bonds shall mean, as of the time in question, all Bonds authenticated and delivered under the Bond Resolution or any Additional Bonds Resolution, except:

(1) Bonds theretofore canceled or required to be canceled under any of the aforesaid bond resolutions;

(2) Bonds deemed paid under the aforesaid bond resolutions; and

(3) Bonds in substitution for which other Bonds have been authenticated and delivered pursuant to any of the aforesaid bond resolutions.

In determining whether the Holders of a requisite aggregate principal amount of Bonds Outstanding have concurred in any request, demand, authorization, direction, notice, consent, or waiver under the provisions hereof, unless all Bonds Outstanding are so held, Bonds which are held by or on behalf of the Municipality or any person controlling, controlled by or under common control with the Municipality shall be disregarded for the purpose of any such determination.

"Paying Agent" shall mean any bank, trust company, or other institution herein or hereafter designated by the Governing Body to make payments of the principal of and interest on the Series 2019 Bonds, and to serve as registrar and transfer agent for the registration of owners of the Series 2019 Bonds, and for the performance of other duties as may be herein or hereafter specified by the Governing Body.

"Payment Date" shall mean April 1, and semiannually thereafter on April 1 and October 1 of each year, and continuing until the last such date on which any of the Series 2019 Bonds is Outstanding, or is paid in full whether at maturity or upon redemption thereof.

"Person" shall mean an individual, partnership, corporation, trust, or unincorporated organization, and a government or agency or political subdivision thereof.

"Principal and Interest Requirements" for any Bond Year shall mean the sums sufficient for the payment of the principal of and interest on the Bonds which will mature and accrue during such period, including the Loans, excluding any principal or premium payable pursuant to any optional redemption provisions but including, with respect to Bonds which are term Bonds, any principal and interest coming due in such Bond Year pursuant to any mandatory sinking fund redemption payments pertaining to such term Bonds.

“Procedures” shall mean the Post Issuance Compliance Procedures, attached hereto as **Attachment B**.

"Project" shall mean the improvements, repairs, and extensions to the System, to be made in substantial accordance with the plans and specifications, as they may be amended and supplemented, prepared by the Consulting Engineer.

"Purchaser" shall mean the successful bidder for the Series 2019 Bonds to be hereafter designated by the Governing Body.

"Record Date" shall mean, as to interest payments, the fifteenth (15^{th}) day of the month preceding the dates set for payment of interest on the Series 2019 Bonds and, as to payments of principal, the fifteenth (15^{th}) day of the month preceding the maturity date thereof.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Redemption Price" shall mean, with respect to a Series 2019 Bond, the principal amount of such Series 2019 Bond, plus the applicable premium, if any, payable upon redemption thereof in the manner contemplated in accordance with its terms and pursuant to the provisions hereof.

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the Municipality as the Registered Owner of a Bond or Bonds.

"Representation Letter" shall mean the Blanket Letter of Representation to DTC pertaining to book-entry obligations of the Municipality.

"Reserve Account Requirement" for an issue of Bonds shall, except as otherwise provided below, be calculated as of the date of initial issuance of such issue of Bonds and shall be the lesser of: (a) ten percent (10%) of the "principal amount" of all Bonds of such issue; (b) the Maximum Annual Debt Service Requirement with respect to such issue, calculated on a Bond Year basis; and (c) one hundred twenty-five percent (125%) of the average annual debt service on such issue, calculated on a Bond Year basis. The amount of the Reserve Account Requirement for an issue of Bonds shall be calculated and/or recalculated as of: the date of initial issuance of such issue of Bonds; any date on which such issue of Bonds shall be retired, paid in full or defeased; and any date on which a portion, but not all, of the Bonds of such issue shall be refunded. If a portion, but not all, of the Bonds of an issue (the "Refunded Issue") shall be refunded, the Reserve Account Requirement shall be computed on the date of initial issuance of the refunding Bonds (the "Refunding Issue") and thereafter as applicable collectively with respect to the Refunded Issue and the Refunding Issue as the lesser of: (a) the greater of (i) ten percent (10%) of the aggregate Outstanding principal of the Refunded Issue plus ten percent (10%) of the principal of the Refunding Issue, and (ii) the Reserve Account Requirement with respect to the Refunded Issue as of its date of initial issuance; (b) the aggregate Maximum Annual Debt Service Requirement, taking into account all Outstanding Bonds of the Refunded Issue and the Refunding Issue, calculated on a Bond Year basis; (c) one hundred twenty-five percent (125%) of the average future annual debt service on all Outstanding Bonds of the Refunded Issue and the Refunding Issue, calculated on a Bond Year basis; and (d) the maximum amount which can be allocated to the Debt Service Reserve Account without causing the Debt Service Reserve Account to be other than a reasonably required reserve or replacement fund under Treasury Regulations as applicable to the Refunded Issue and the Refunding Issue. The Reserve Account Requirement may be funded with a Reserve Fund Surety Bond, cash, or a combination of both. As used in this paragraph, the term "principal amount" shall mean, with respect to any Bond, the stated principal amount of such Bond, unless the issue of Bonds which included such Bond had more than a de minimis amount (as defined in Section 1.148-1(b) of the Treasury Regulations) of original issue discount or premium, in which event principal amount shall mean the issue price (as defined in Section 1.148-1(b) of the Treasury Regulations) of such Bond.

"Reserve Fund Surety Bond" shall mean an insurance policy, letter of credit, or surety bond issued by an insurance company or financial institution acceptable to and approved by the Municipality and the rating agency, if any, and also approved by the Bond Insurer, if any, which shall be issued in an amount equal to all or a portion of the Reserve Account Requirement and may be utilized in whole or in part to satisfy the deposit and funding requirements set forth in the Bond Resolution in lieu of or in substitution for a deposit of cash or securities.

“Responsible Party” shall mean the party specified in each section of the Procedures as being responsible for compliance.

"Revenue Fund" shall mean the Combined Water and Sewer System Revenue Fund authorized, established, designated, provided for in Section 5.02 of the Bond Resolution.

"Revenues" shall mean all payments, proceeds, fees, charges, rents, and all other income (including investment income) derived by or for the account of the Municipality from its ownership and operation of the System, excluding all acreage, front-footage, assessment, and similar fees and charges derived by the Municipality in connection with the provision of or payment for capital improvements constituting a part of the System and gifts, grants, bequests, and proceeds of tax levies, all as calculated in accordance with generally accepted accounting principles.

"Series 2019 Bonds" shall mean the Combined Water and Sewer System Revenue Bonds, Series 2019, of the Municipality in the original principal amount of Ten Million Dollars ($10,000,000), authorized and directed to be issued in the Bond Resolution.

"Special Record Date" shall mean the date fixed by the Paying Agent pursuant to Section 3.02(d) and 3.02(e) of the Bond Resolution for the payment of Defaulted Interest and Defaulted Principal, respectively.

"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).

"System" shall mean the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality, as the same presently exists and as hereafter improved, repaired, and extended.

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.

THE SERIES 2019 BONDS

Terms of the Series 2019 Bonds. The Series 2019 Bonds shall be in registered form; shall be dated May 1, 2019; shall be in 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 bear interest from the date thereof at the rates set forth on the cover page of this Official Statement, payable on May 1, 2020, and semiannually thereafter on May 1 and November 1 in each year; and shall mature, with option of prior payment, on May 1 in the years and principal amounts as set forth on the cover page of this Official Statement.

Purpose. The Series 2019 Bonds are being issued to provide funds for the Authorized Purpose and the Project and to pay the costs of the authorization, issuance, sale, validation, and delivery of the Series 2019 Bonds**.**

Redemption of the Series 2019 Bonds. The Series 2019 Bonds maturing after May 1, 2029, are subject to redemption prior to their stated dates of maturity at the option of the Municipality, on and after May 1, 2029, at par, plus accrued interest to the date of redemption, either in whole or in part, in whole or in part on any date, in inverse order of maturity, as follows:

(a) Interest shall cease to accrue on any of the Series 2019 Bonds which are duly called for redemption on the date set for redemption if payment thereof on the redemption date has been duly made or provided for.

(b) At least thirty (30) days before the redemption date of any Series 2019 Bonds, the City Clerk shall cause a notice of any such redemption, either in whole or in part, signed by the City Clerk, (i) to be filed with the Paying Agent and (ii) to be mailed, postage prepaid, to all Registered Owners of the Series 2019 Bonds to be redeemed at their addresses as they appear on the registration books herein provided for on the date of such mailing, but failure so to file or mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the place or places at which payment shall be made, and, if less than all of the Series 2019 Bonds of any one maturity shall be called for redemption, the distinctive numbers and letters, if any, of such Series 2019 Bonds to be redeemed.

(c) Prior to the date fixed for redemption, funds shall be placed with the Paying Agent to pay the Series 2019 Bonds called for redemption and accrued interest thereon to the redemption date and the premium, if any, in trust with irrevocable instructions to apply such funds to such payment on such date. Upon the happening of the above conditions, the Series 2019 Bonds, or portions thereof, thus called for redemption shall cease to bear interest from and after the redemption date, shall no longer be protected by this Bond Resolution and shall not be deemed to be Outstanding under the provisions of this Bond Resolution.

Security for the Series 2019 Bonds. In order to secure the payment of the principal of, premium, if any, and interest on the Series 2019 Bonds, the Municipality hereby irrevocably pledges (i) a sufficiency of the Net Revenues derived from the operation of the System, subject to the prior payment of the reasonable and necessary expenses of operating and maintaining the System and the payment of the Loans, to pay the principal of, premium, if any, and interest on the Series 2019 Bonds, and to make the payments into the Current Debt Service Account and into the Debt Service Reserve Account, and all other payments provided for in this Series 2019 Bond Resolution as the same become due and payable and (ii) the Debt Service Account and the Debt Service Reserve Account, both of which sources have been pledged on a parity of lien with any Additional Bonds issued in accordance with the provisions of the Bond Resolution. The Series 2019 Bonds shall be secured equally and ratably by such pledge.

Limitation of the Obligation of the Municipality. The Series 2019 Bonds shall not be or constitute an indebtedness of the Municipality within the meaning of any constitutional, statutory, or charter limitation of indebtedness, but shall be payable solely from the sources as provided in the Bond Resolution. No Bondholder shall ever have the right to compel the exercise of ad valorem taxing power of the Municipality or taxation in any form of any property therein to pay the principal of and interest on the Series 2019 Bonds or the making of any reserve or other payments provided for in the Bond Resolution.

CONTINUING DISCLOSURE

The Municipality will execute a Continuing Disclosure Agreement for the benefit of holders of the Series 2019 Bonds wherein the Municipality will agree 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 D**" hereto. A failure by the Municipality to comply with the Continuing Disclosure Agreement must be reported in accordance with 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 Series 2019 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2019 Bonds and their market price.

The Municipality's intention is to file the information required under the Continuing Disclosure Agreement for the Series 2019 Bonds in a complete and timely manner. The Municipality has hired an independent agent to monitor compliance throughout the term of the Series 2019 Bonds. The Municipality has also signed up for the EMMA tickler system reminders.

The Municipality is obligated to make continuing disclosure filings under certain prior continuing disclosure agreements which require annual operating information and financial statements 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, or Unaudited Financial Statements in the event Audited Financial Statements were not available, 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 annual report for the fiscal year ended September 20, 2016, was mislabeled as the annual report for the fiscal year ended September 20, 2015; this error was corrected by the Municipality. There was also a late filing of the Budget Report for several fiscal years.

Each continuing disclosure agreement also obligated the Municipality to file a notice of the occurrence of any event listed in the Rule. Included in the listed events are bond calls and rating changes. During the past five years, the Municipality failed to file notices concerning changes in underlying ratings and the ratings of its bond insurers, including the S&P Global Ratings downgrade of National Public Finance Guarantee Corporation on June 27, 2017.

The Audited Financial Statements of the electric system of the Municipality were filed late to for the Series 2006 Bonds for the fiscal years ended September 30, 2012 and 2013; the unaudited financial statements were not filed with the Annual Report in the absence of the Audited Financial Statements; a "Notice of Failure to File" was not filed for the fiscal years ended September 30, 2012 and 2013, and a failure was not disclosed in the prior Official Statement.

The audited financial statements for the fiscal year ended September 30, 2017, were filed February 19, 2018. The audited financial statements for the fiscal year ended September 30, 2018, are not yet available and will be filed as soon as they are available.

THE COMBINED WATER AND SYSTEM OF THE MUNICIPALITY

General. The Municipality owns the combined waterworks, water supply, sewage, and sewage disposal system of the Municipality (the "System").

The water portion of the System serves ________ customers utilizing ________ miles of water mains and ________ wells having a total estimated capacity of ________ gallons per day ("MGD"). The System utilizes ________ elevated storage tanks and ________ ground storage tanks with a total capacity of ________ gallons.

The sewer portion of the System serves ________ customers utilizing ________ miles of sewer mains and a treatment plant with a capacity of ________ MGD.

The Municipality has entered into an agreement with ________ for ________.

The Municipality has met all requirements set forth by the Mississippi Department of Environmental Quality and the Environmental Protection Agency.

Water and Sewer Enterprise Fund. The System is maintained as a separate accounting entity and is operated as an "enterprise fund." Such fund is used to account for water and sewer services provided to residents of the Municipality and some residents outside the incorporated area of the Municipality. All activities necessary to provide such services are accounted for in this fund, including administration, engineering, pumping and purification, transmission, and distribution, financing, debt service, and billing and collections.**Management of the System.** The System is operated by Starkville Utilities, a public utility incorporated in 1939 and operating as a self-sustaining arm of the Municipality under administrative control of the Governing Body of the Municipality. The Clerk, as the chief financial officer of the Municipality, maintains the books of accounts and prepares financial statements for the System.

Establishment of Rates. Charges for the services and facilities of the System are established by the Governing Body of the Municipality. During any time any obligations of the System are outstanding and unpaid, the Governing Body must consider, among other things, the rate covenant contained in the Bond Resolution (see "SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION - Rate Covenant").**Rate Structure.** The following water and sewer rates were adopted by the Municipality on ________ and apply to each user of the System.

Water rates for users within the corporate limits of the Municipality through metered services are as follows:

Usage Category (Per Month)	Rate
Minimum Fee	$________
________ gallons	$________ per

	thousand gallons
More than ________ gallons	$________ per thousand gallons

Sewer rates for users within the corporate limits of the Municipality through metered services are as follows:

Usage Category (Per Month)	Rate
Minimum Fee	$________
Within Municipality, plus usage	$________ per thousand gallons
Outside Municipality, plus usage	$________ per thousand gallons
Flat rate (sewer only)	$________

Water rates for users outside the corporate limits of the Municipality through metered services are as follows:

Usage Category (Per Month)	Rate
Minimum Fee	$________
________ gallons	$________ per thousand gallons
More than ________ gallons	$________ per thousand gallons

Sewer rates for users outside the corporate limits of the Municipality through metered services are as follows:

Usage Category (Per Month)	Rate
Minimum Fee	$________

Within Municipality, plus usage	$________ per thousand gallons
Outside Municipality, plus usage	$________ per thousand gallons
Flat rate (sewer only)	$________

The following is an estimated breakdown of water and sewer charges for residential and commercial and industrial customers of the System as of September 30, 20___.

	Residential Customers	Commercial and Industrial Customers	Totals
Water Charges:	$________	$________	$________
Sewer Charges:	$________	$________	$________
Totals	$________	$________	$________

The ten (10) largest users of water per gallon per month as of September 30, 20___, are listed below.

Ten Largest Water Customers	Usage (gallons per month)

Total	

The current capacity of the water system is as follows:

Current Water System	Number of Gallons Per Day
Capacity	________
Peak Daily Load	________
Average Daily Use	________

The ten (10) largest users of sewer per gallon per month as of September 30, 20___, are listed below.

Ten Largest Sewer Customers	Usage (gallons per month)
Total	

The current capacity of the sewer system is as follows:

Current Sewer System	Number of Gallons Per Day
Peak Daily Load	________
Average Daily Usage	________

Revenues Available for Debt Service. The following schedule prepared by the Municipal Advisor, based on projections and information supplied by the officers of the Municipality, sets forth the actual and projected Net Revenues for Fiscal Years 20___ through 20___. Historical calculations were based on actual data from the Municipality's annual audited financial statements and budgets.

REVENUES						
Water & Sewer Sales						
Other Revenues						
TOTAL OPERATING REVENUES						
EXPENSES						
Personnel						
Material & Supplies						
Professional Services						
Other						
TOTAL OPERATING EXPENSES						
NET REVENUES AVAILABLE FOR DEBT SERVICE						
EXISTING DEBT SERVICE*						
AVAILABLE REVENUE FOR NEW DEBT SERVICE						
PROFORMA DEBT SERVICE***						
DEBT SERVICE COVERAGE						

Assumptions:

____

Debt:

*Existing:

____

*New Issue:

____

Litigation and Claims Affecting the System and the Municipality.

System Litigation. Currently there are no pending or threatened lawsuits, claims, or other proceedings (private, governmental, or otherwise) pertaining to the System which might be expected to affect the availability of Revenues of the System to pay principal of, premium, if any, and interest on the Series 2019 Bonds.

Other Litigation. From time to time, claims are made against the Municipality, some of which result in litigation against the Municipality. None of the pending or threatened claims are expected to affect the Municipality's ability to perform its obligations to the Registered Owners of the Series 2019 Bonds.

Sovereign Immunity. In 1982, in Pruett v. City of Rosedale, the Mississippi Supreme Court (the "Supreme Court") abolished the judicial common law doctrine of sovereign immunity, effective July, 1984, and invited a legislative response by creation of statutory sovereign immunity. In 1984, the Legislature enacted a tort claims act (the "Tort Claims Act") that gave statutory sovereign immunity to the State and its political subdivisions, and then provided for a limited and capped waiver of that immunity.

The Tort Claims Act, as amended, provides a broad statutory sovereign immunity for acts and omissions of governmental entities, whether governmental, proprietary, discretionary or ministerial, including for breach of an implied contract, and without regard to whether a fee, charge or other consideration was paid. The Tort Claims Act waives this statutory sovereign immunity up to certain maximum limits of liability, except for specified circumstances; the maximum liability arising out of a single occurrence is $250,000 for claims arising on or after June 1, 1997, and before June 1, 2001, and $500,000 for claims arising on or after June 1, 2001. Attorney fees and punitive damages are not allowed unless otherwise specifically authorized by law; trial of claims arising under the Tort Claims Act shall be conducted without a jury; a claimant must exhaust his administrative remedies before he files suit, and he must file within one year after the cause of action arises; governmental entities and their employees acting within the course and scope of their employment shall not be liable for any claims under specified circumstances; all political subdivisions must purchase liability insurance or set up self-insurance reserves sufficient to cover risks of claims under the Tort Claims Act; all governmental entities may purchase liability insurance in excess of the maximum liability and immunity shall be waived to the extent of the excess liability insurance; and any two or more political subdivisions may enter into agreement to pool liabilities through insurance or self-insurance reserves.

Under existing law, the defense of sovereign immunity would not be available to the Municipality against a claim for payment, when due, of principal of or interest on the Series 2019 Bonds.

RISK FACTORS

The Series 2019 Bonds are secured by and are payable solely from a sufficient amount of Net Revenues of the System. Growth of the System is dependent in large part on the growth of numbers of users of the System. The growth of numbers of users of the System may be dependent upon population growth in the area served by the System.

Revenues of the System may also be affected by the expansion or contraction of operations of industrial and commercial users of the System. It is impossible to project such industrial or commercial expansion or contraction.

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution. The summary does not purport to be comprehensive or definitive. All references herein to the Bond Resolution are qualified in their entirety by reference to such document.

Application of the Series 2019 Bond Proceeds. All funds received from the sale of the Series 2019 Bonds shall, on the Closing Date, be applied as follows:

(a) *Bond and Interest Fund.* Into the Bond and Interest Fund as follows:

(1) <u>Current Debt Service Account</u>. A sum equal to the amount of accrued interest received upon the sale and delivery of the Series 2019 Bonds shall be deposited into the Current Debt Service Account of the Bond and Interest Fund.

(2) <u>Debt Service Reserve Account</u>. To the extent that other funds of the Municipality have not been deposited into the Debt Service Reserve Account, so that the amount therein is equal to the Reserve Account Requirement, or a Reserve Fund Surety Bond has not been issued to the Municipality, then such sum as is necessary, in addition to other funds on deposit in the Debt Service Reserve Account, shall be deposited into the Debt Service Reserve Account so that the total amount therein is equal to the Reserve Account Requirement.

(b) *Improvement Fund.* The remaining portion of the proceeds of the sale of the Series 2019 Bonds shall be deposited into the Improvement Fund.

Rate Covenant.

(a) As long as any of the Series 2019 Bonds are outstanding and unpaid, the Municipality covenants with the Bondholders that the Municipality will fix, establish, maintain, levy, and collect such rates, fees, rents, and other charges for the services and facilities of the System and all parts thereof, and will revise the same from time to time whenever necessary, as will always provide Revenues at least sufficient: (a) to pay the Current Expenses of the System and (b) to provide one hundred twenty percent (120%) of the amount of the maximum Principal and Interest Requirement for the current Bond Year on account of the Bonds then Outstanding. The Municipality shall maintain a rate ordinance which shall provide Revenues in each Fiscal Year sufficient to satisfy the requirements under this subheading. To the extent permitted by applicable law, the aforesaid rate ordinance shall also provide for a penalty charge for non-payment of bills within a specified number of days after their due date and discontinuance of service upon non-payment of bills within a specified number of days after their due date, and the Municipality shall discontinue the supplying of the services and facilities of the System for non-payment of bills for such services and facilities within such time period and will not restore the services and facilities of the System to any of such delinquent users until payment in full of all delinquent charges, including reasonable charges for restoration of services.

(b) If the Revenues in any Fiscal Year as shown by the Municipality's audit are less than the total amount set forth in subsection (a) above, then it shall, as promptly as possible, request the Consulting Engineers to make recommendations as to a revision of such rates, fees, rents, and other charges or methods of operating the System which will result in producing the required amount of Revenues in the following Bond Year. Upon receipt of such recommendations the Municipality shall, subject to applicable requirements imposed by law, immediately revise such rates, fees, rents, and other charges and take such other actions respecting the methods of operation of the System as shall in its discretion be deemed necessary.

Combined Water and Sewer System Revenue Fund. An amount of the Revenues of the System sufficient to provide for the deposits required by the Bond Resolution shall be deposited on or before the first (1^{st}) Business Day of each month, commencing in the first calendar month following the Closing Date, in the Revenue Fund provided for in the Bond Resolution. The Revenue Fund shall constitute a trust fund for the purposes provided in the Bond Resolution, and shall be kept separate and distinct from all other funds of the Municipality and used only in the manner provided for in the Bond Resolution.

Disposition of Revenues; Establishment of Funds. (a) The Municipality will set aside, allocate and deposit funds from the Revenue Fund into the separate funds as provided in the Bond Resolution. Such sums shall be set aside, allocated and deposited by the Clerk without further direction of or action by the Governing Body in the following manner and order of priority:

(1) *Operation and Maintenance Fund.* On the first (1^{st}) Business Day of each month, beginning with the first calendar month following the Closing Date, an amount which, when added to any funds then on deposit in the Operation and Maintenance Fund, shall be equal to the estimated Current Expenses of the System for the next succeeding calendar month, including any amounts needed to cover deficiencies in preceding months. Funds in the Operation and Maintenance Fund shall be disbursed from time to time as needed for the operation and maintenance of the System.

(2) *Bond and Interest Fund.* From the funds in the Revenue Fund there shall next be apportioned, set aside, and deposited into the Bond and Interest Fund the amounts required for the following accounts in the Bond and Interest Fund to be funded in the order listed:

(A) Current Debt Service Account. On or before the first (1st) Business Day of each month, beginning in the first calendar month following the Closing Date (but not sooner than one year prior to the first principal payment date as to principal payments), there shall be apportioned, set aside, and deposited into the Current Debt Service Account, Revenues for the payment of interest in an amount which, together with funds on deposit in the Current Debt Service Account for such purpose and together with approximately equal subsequent monthly deposits on or before the first Business Day of each month, will provide a sum for the payment of interest equal to the amount necessary to pay the next installment of interest on the Bonds, and Revenues for the payment of principal in an amount which, together with funds on deposit in the Current Debt Service Account for such purpose and together with approximately equal subsequent monthly deposits on or before the first (1st) Business Day of each month, will provide a sum for the payment of principal equal to the amount necessary to pay the next installment of principal on the Bonds (including for this purpose any advancement of maturity pursuant to a mandatory sinking fund payment).

(B) Debt Service Reserve Account. (i) Provided, that in addition to the funds required to be paid into the Current Debt Service Account by the Bond Resolution, the Debt Service Reserve Account shall be maintained as a subaccount in said fund in order to meet any deficiency therein in future years. In order to fully fund the Debt Service Reserve Account, the Clerk shall immediately upon delivery of the Series 2019 Bonds deposit an amount from the proceeds of the sale of the Series 2019 Bonds or any other legally available funds of the Municipality, which, together with funds on deposit in the Debt Service Reserve Account, will be equal to the Reserve Account Requirement, at which amount the Debt Service Reserve Account shall thereafter be maintained by such future payments as may be necessary for that purpose. The Debt Service Reserve Account shall be used only to pay maturing principal and accruing interest, or both, and only whenever and to the extent that funds otherwise available in the Current Debt Service Account are insufficient for that purpose. No funds paid into the Debt Service Reserve Account shall be used to prepay the principal unless such prepayment is for the entire balance of the principal amount of the Bonds.

(ii) On or before the first (1st) Business Day of each month, commencing in the first calendar month after a withdrawal from the Debt Service Reserve Account causes the amount on deposit therein to fall below the Reserve Account Requirement or in the first calendar month after an annual valuation of the Debt Service Reserve Account reveals that the fair market value of the investments therein is less than the Reserve Account Requirement, there shall be apportioned, set aside and deposited to the Debt Service Reserve Account all funds remaining in the Revenue Fund after the payments required by paragraph (a)(2)(A) above have been made until the amount in the Debt Service Reserve Account equals the Reserve Account Requirement; provided, that no such deposits shall be made until all required payments have been made in full into the Current Debt Service Account, including any deficiencies for prior payments. Funds in the Debt Service Reserve Account shall be used only for the purpose of paying maturing principal of or interest on the Bonds when the funds in the Current Debt Service Account are insufficient therefor and for no other purpose, except that said funds may be invested or reinvested as provided for in the Bond Resolution.

(iii) No further payments into the Current Debt Service Account or into the Debt Service Reserve Account shall be required when the aggregate amount of funds in both the Current Debt Service Account and the Debt Service Reserve Account are at least equal to the aggregate principal amount of the Bonds then Outstanding, plus the amount of interest then due or to become due on the Bonds then Outstanding, or when the Bonds shall be deemed fully paid within the meaning of the Bond Resolution.

(iv) The Municipality, in its sole discretion and with the prior written consent of the Bond Insurer, if any, may fund all or a portion of the Reserve Account Requirement with a Reserve Fund Surety Bond. Any such Reserve Fund Surety Bond must either extend to the final maturity date of the then Outstanding Bonds or the Municipality must agree, by a resolution supplementing the Bond Resolution, that the Municipality will replace such Reserve Fund Surety Bond prior to its expiration with another Reserve Fund Surety Bond which shall have no adverse effect on ratings then in effect on the Outstanding Bonds, or with cash, or with a combination of both. The face amount of the Reserve Fund Surety Bond, together with amounts on deposit in the Debt Service Reserve Account, including the face amount of any other Reserve Fund Surety Bond, shall be at least equal to the Reserve Account Requirement.

(v) Funds in the Debt Service Reserve Account shall be used only for the purpose of paying maturing principal of or interest on the Bonds when the funds in the Current Debt Service Account are insufficient therefor and for no other purpose, except that said funds may be invested or reinvested as provided for in the Bond Resolution. In the event that amounts credited to the Debt Service Reserve Account are used to pay maturing principal or interest on the Bonds when funds on hand in the Current Debt Service Account are insufficient therefor or that amounts credited to the Debt Service Reserve Account are at any time less than the amount of the Reserve Account Requirement, the Municipality shall provide written notice of such event and of the amount of such deficiency to the Bond Insurer, if any. If a disbursement is made from the Debt Service Reserve Account to pay maturing principal or interest on the Bonds, only such amount as may at the time be drawn under any Reserve Fund Surety Bond then credited to the Debt Service Reserve Account shall be included in computing the amounts credited to the Debt Service Reserve Account. The Municipality shall be obligated to restore the amounts credited to the Debt Service Reserve Account to the amount of the Reserve Account Requirement by either: (1) causing any Reserve Fund Surety Bond to be reinstated; (2) providing one or more Reserve Surety Bonds; (3) depositing Revenues into the Debt Service Reserve Account in accordance with (a)(2)(B) above; or (4) any combination of the foregoing. With respect to such replenishment of the Debt Service Reserve Account, any funds received for such purpose shall be used first to reimburse any provider of a Reserve Fund Surety Bond then credited to the Debt Service Reserve Account, thereby reinstating such Reserve Fund Surety Bond, and second to replenish any cash in the Debt Service Reserve Account and/or to provide one or more Reserve Fund Surety Bonds.

(3) *Depreciation Fund.* In order to fund the Depreciation Fund provided for herein, after the deposits required by paragraphs (a)(1) and (a)(2) of this Section, there shall next be deposited into the Depreciation Fund the amount of Five Thousand Dollars ($5,000); provided, however, that deposits may be made on or before the first (1st) Business Day of each month, beginning with the first (1st) calendar month after the Closing Date, until the amount on deposit in the Depreciation Fund is equal to Five Thousand Dollars ($5,000), at which amount it shall thereafter be maintained by such future monthly deposits as may be necessary for that

purpose. The Depreciation Fund shall be used for the purpose of paying the cost of replacing such parts of the System as may need replacement in order to keep the System operating in an economical and efficient manner; provided, however, that in the event the funds provided for in this Bond Resolution for the payment of the principal of and interest on the Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal of the Bonds as set forth in paragraph (a)(2)(A) of this Section shall be drawn from the Depreciation Fund, and shall be used together with funds otherwise available to pay such accruing interest and to provide for the payment of principal as set forth in paragraph (a)(2)(A) of this Section. No funds paid into the Depreciation Fund shall be used to prepay principal or premium, if any, unless such prepayment is for the entire balance of the principal amount of the Bonds.

(4) *Contingent Fund.* In order to fund the Contingent Fund provided for herein, after the deposits required by paragraphs (a)(1), (a)(2) and (a)(3) of this Section, there shall next be deposited into the Contingent Fund the amount of Five Thousand Dollars ($5,000); provided, however, that deposits may be made on or before the first (1^{st}) Business Day of each month, beginning with the first (1^{st}) calendar month after the Closing Date, until the amount on deposit in the Contingent Fund is equal to Five Thousand Dollars ($5,000), at which amount it shall thereafter be maintained by such future monthly deposits as may be necessary for that purpose. The Contingent Fund shall be used for the purpose of paying the cost of unforeseen contingencies arising in the operation and maintenance of the System, including the construction of reasonable and proper improvements, repairs, and extensions thereto; provided, however, that in the event the funds provided for in this Bond Resolution for the payment of the principal of and interest on the Bonds should be insufficient for said purpose, then and in that event, to the extent of any such insufficiency, the amount necessary to pay accruing interest and to provide for the payment of the principal of the Bonds as set forth in paragraph (a)(2)(A) of this Section shall be drawn from the Contingent Fund and shall be used, together with funds otherwise available, to pay such accruing interest and to provide for the payment of principal as set forth in Section 5.03(a)(2)(A).

(b) The funds in the foregoing funds shall be held separate and apart from all other funds of the Municipality and shall be applied in the manner provided. Any surplus Revenues remaining after all deposits required by the Bond Resolution have been made may be used solely for purposes pertaining to the System, including payment of any general obligation debt previously or hereafter incurred for the System. The foregoing notwithstanding, any amounts required to be paid by the Municipality from such surplus Revenues for general administrative charges pertaining to the System shall be considered as being used for purposes pertaining to the System.

(c) If in any month the Revenues are insufficient to deposit the required amount in any of the funds as hereinbefore provided, the deficiency shall be made up in the subsequent payment or payments in addition to the payments which would otherwise be required to be made into such funds in subsequent months; provided, however, that any deficiency in the Current Debt Service Account and the Debt Service Reserve Account shall be made up before any further payment is made to the Depreciation Fund or the Contingent Fund.

(d) The investments of funds in the Debt Service Reserve Account shall be valued in such manner as the Municipality shall determine at the fair market value thereof annually on the last Business Day of each Fiscal Year. If the fair market value of said investments is less than the Reserve Account Requirement, the Municipality shall, as soon as possible but in any event within the following 12 months, place money from the Revenue Fund into the Debt Service Reserve Account as provided in paragraph (a)(2)(B) above to bring the aggregate value of the Debt Service Reserve Account up to the Reserve Account Requirement. If the fair market value of such investments is greater than the Reserve Account Requirement, the amount of money in excess of the Reserve Account Requirement shall be paid into the Current Debt Service Account.

Investment of Funds on Deposit in the Funds. The funds at any time on deposit in any fund or account provided for by the Bond Resolution not immediately required for disbursement for the purposes for which such funds or accounts are established, shall be invested in such instruments or investments as are permissible under the Code or under applicable law of the State. The income received on the investment of any such funds shall be credited to the fund or account for which such investments are made; provided that, with respect to the Current Debt Service Account and except with respect to the Improvement Fund, the excess, if any, of such income above the amounts required to be on deposit in such funds or accounts shall be transferred to the Current Debt Service Account and applied to the purposes for which such account is established. The income received on any investments in the Improvement Fund shall be credited to such fund until the Project is complete.

Combined Water and Sewer Improvement Fund. Pursuant to the Bond Resolution, the proceeds of the Series 2019 Bonds remaining after deposits have been made to the various funds and accounts described therein shall be irrevocably deposited by the Municipality into the Improvement Fund. Funds in the Improvement Fund shall be applied solely and only to the payment of the costs of the Project and costs incidental thereto (including but not limited to costs of the authorization, issuance, sale, validation, and delivery of the Series 2019 Bonds and Bond Insurance Policy premiums, if any, for the Series 2019 Bonds). Any balance remaining in the Improvement Fund after completion of the Project shall be transferred to the Current Debt Service Account and applied to the payment of the principal of and interest on the Series 2019 Bonds

Operation and Maintenance. The Municipality will maintain the System and all parts thereof in good condition, and will continuously operate the same in an efficient and economical manner, making such expenditures for equipment and for renewal, repair, and replacement as may be proper for the economical operation and maintenance thereof.

Sale of the System. The System may be sold or otherwise disposed of only as a whole or substantially as a whole, and only if the net proceeds to be realized shall be sufficient, together with other funds available therefor, to provide for the payment of the principal of, premium, if any, and interest on the Bonds and fully to retire all of the Bonds and any other indebtedness to the payment of which the Net Revenues of the System are pledged, and all interest thereon to their respective dates of maturity or earlier redemption dates. The proceeds from such sale or other disposition of the System shall immediately be deposited into the Current Debt Service Account, or if the Bonds are not then redeemable, into an escrow fund as provided in the Bond Resolution, and shall be used only for the purpose of paying the principal of, premium, if any, and interest on the Bonds, as the same shall become due, or for the redemption of callable Bonds (subject to the Bond Resolution).

The foregoing provision notwithstanding, the Municipality shall have and reserves the right to sell or otherwise dispose of any of the property comprising a part of the System hereafter determined in the manner provided in the Bond Resolution to be no longer necessary, useful or profitable in the operation thereof, for fair and reasonable prices.

Prior to any such sale or other disposition of said property, the Consulting Engineers shall make a finding in writing determining that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the proceeds from any sale of such property shall be deposited into the Revenue Fund and used only as provided in the Bond Resolution for such fund.

Issuance of Other Obligations Payable Out of Revenues. The Municipality will not issue any other obligations, except upon the conditions and in the manner provided in the Bond Resolution, payable from the Net Revenues and being on a parity with the lien of the Bonds and the interest thereon, nor voluntarily create or cause to be created any debt, lien, pledge, assignment, encumbrance, or any other charge having priority to or being on a parity with the lien of the Bonds and the interest thereon.

The Municipality may issue obligations junior and subordinate to the Bonds at any time, provided that the issuance of such obligations does not violate any covenants of the Municipality concerning any of its then outstanding obligations. All obligations issued by the Municipality secured by Net Revenues other than Additional Bonds shall contain an express statement that such obligations are junior and subordinate in all respects to the Bonds as to lien on and source of and security for payment from the Net Revenues, and in all other respects.

Insurance for the System. As long as any of the Bonds shall remain Outstanding and unpaid, the Municipality shall carry and maintain all-risk insurance upon all the properties forming a part of the System which may be of an insurable nature, such insurance to be of the type and kind and for such amount or amounts as carried and maintained by other municipalities rendering services of a similar character in similar communities. The proceeds of all such insurance shall be used only for the maintenance and restoration of the System, or for the payment of the principal of, premium, if any, and the interest on the Bonds.

To the extent the Municipality is not covered by sovereign immunity, the Municipality will also carry adequate public liability and property damage insurance. Proceeds of insurance awards, except public liability and property damage policies, will be used to repair the damaged property or replace the destroyed property, and excess proceeds shall be deposited into the Depreciation Fund or in the Current Debt Service Account to redeem the Bonds, or if the Bonds are not then redeemable, into an escrow fund as provided in the Bond Resolution.

Books and Records. The Municipality will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Municipality in which complete and correct entries shall be made in accordance with generally accepted accounting principles consistently applied of all transactions relating to the System, and any Bondholder and the Paying Agent shall have the right at all reasonable times to inspect the System and all parts thereof, and all records, accounts and data of the Municipality relating thereto.

The Municipality shall promptly after the close of each Fiscal Year cause the books, records and accounts of the System for the preceding Fiscal Year to be properly audited by a qualified and independent firm of certified public accountants, which report shall cover in reasonable detail the operation of the System and the insurance carried with respect thereto. The Municipality shall make available generally said report, or a reasonable summary thereof, to any Bondholder upon request.

The Municipality shall also, prior to the commencement of each Fiscal Year, cause the System to be inspected by the Consulting Engineers, who shall file a report with the Clerk prior to the commencement of such Fiscal Year, setting out the condition of the physical plant of the System and any recommendations which the Consulting Engineers shall deem to be advisable. Such report shall include the following:

(a) Advice and recommendations concerning the maintenance, repair and operation of the System.

(b) Advice and recommendations as to renewals or replacements of any part of the System.

(c) Advice and recommendations as to extensions of the System.

(d) The estimated cost of any recommended renewals, replacements or extensions to the System.

(e) Advice and recommendations concerning the amount and character of insurance that should be carried on the System.

(f) Advice and recommendations concerning any revision of the rates to be charged for the services of the System.

(g) A statement of the judgment of the Consulting Engineers concerning whether the System had been maintained in good repair and operating order, with such suggestions as the Consulting Engineers may deem advisable concerning changes in the methods of operating the System.

The Municipality covenants with the Registered Owners that if the report of the Consulting Engineers shall show that the System has not been maintained in good repair and operating condition, it will, from available Revenues and from the Depreciation Fund and, to the extent applicable, from the Contingent Fund, promptly restore the System to good repair and operating condition; that all recommendations of said report shall receive impartial consideration by the Governing Body; and that the Municipality and the Governing Body shall endeavor in good faith to carry out the recommendations that may be made by the Consulting Engineers.

Operating Budget. Prior to the commencement of each Fiscal Year following the Closing Date, the Governing Body shall prepare or shall cause to be prepared and adopted by resolution of the

Governing Body a detailed budget setting out the estimated receipts and expenditures of the System for the then ensuing Fiscal Year. This budget shall contain:

(a) an estimate of the Revenues expected to be derived from the operation of the System during the next ensuing Fiscal Year;

(b) a statement of the estimated Current Expenses during the next ensuing Fiscal Year;

(c) a statement of the amount of principal and interest due on the Bonds and any other indebtedness payable from Net Revenues during the ensuing Fiscal Year;

(d) a statement of what replacements to the System may be anticipated and the estimated cost thereof;

(e) a statement of the total amount anticipated to be payable from Revenues during the next ensuing Fiscal Year; and

(f) a statement of the amount on deposit in each of the funds referred to in the Bond Resolution.

Consulting Engineers. The Municipality will retain Consulting Engineers to inspect the System and make the annual report concerning the same referred to in the Bond Resolution, and to perform the duties provided for therein for such Consulting Engineers.

Default and Remedies. An "Event of Default" as used in the Bond Resolution shall mean any of the following: (a) failure to pay the principal of, premium, if any, or interest on any of the Bonds when such payments shall become due, (b) failure to comply with any other of the covenants of the Municipality set out in the Bond Resolution and the continuation thereof for 30 days after written notice specifying such failure shall have been given to the Municipality by any Bondholder, or Bond Insurer, if any, provided that, if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured, the failure of the Municipality to remedy such default within such 30 day period shall not constitute a default under the Bond Resolution if the Municipality shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch within no longer than 60 days after the aforesaid written notice, or (c) filing by the Municipality of a petition seeking a composition of indebtedness under the federal bankruptcy laws, or under any other applicable federal or state law or (d) the declaration or determination of a default under the additional bond Resolutions.

The Registered Owner of any of the Bonds may, 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 acts and duties to be performed by the Municipality under the provisions of the Act and of the Bond Resolution. If there be any default in the payment of the principal of and interest on the Bonds, any court having jurisdiction in the proper action may, upon petition of the Registered Owners of a majority in principal amount of the Bonds then Outstanding, appoint a receiver to administer and operate the System with power to fix rates and collect charges sufficient to provide for the payment of the Bonds and to pay the expenses of operating and maintaining the System in conformity with the provisions of the Act and the Bond Resolution.

Additional Bonds. No Additional Bonds shall be issued unless the conditions set forth in the Bond Resolution are satisfied and unless all of the following conditions are complied with:

(a) The Municipality must be current in all deposits into the various funds and all payments theretofore required to have been deposited or made by it under the provisions of the Bond Resolution.

(b) If the Additional Bonds are to be issued for the purpose of financing the construction or acquisition of improvements to the System then:

(1) The amount of the Net Revenues during any twelve (12) consecutive months of the eighteen (18) months immediately preceding the delivery of the Additional Bonds, as certified by the Consulting Engineers or an accountant, will be equal to one hundred twenty percent (120%) of the Maximum Annual Debt Service Requirement for the then Outstanding Bonds.

(2) The Consulting Engineers or accountant shall also certify that the amount of the Net Revenues derived from the operation of the System in each year after acquisition or completion of such improvements and during the period such Additional Bonds will be Outstanding, as estimated by the Consulting Engineers, will, in each year, be at least equal to one hundred twenty percent (120%) of the principal and interest which will mature and become due in each such year on (A) the then Outstanding Bonds and (B) the Additional Bonds then proposed to be issued.

(3) If any changes have been made and are in effect at the time of the adoption of the Additional Bonds Resolution in the schedule of rates and charges imposed by the Municipality for services furnished by the System which were in effect during any part of the consecutive twelve-month period referred to in this subsection (b), the Consulting Engineers or accountant may, if such changes resulted in increases in such rates and charges, and shall, if such changes resulted in reductions in such rates and charges, adjust the Net Revenues to be certified for such consecutive twelve-month period to reflect any change in such Net Revenues which would have occurred if the schedule of rates and charges in effect at the time of the adoption of the Additional Bonds Resolution had been in effect during that portion of such consecutive twelve-month period in which such schedule was not in effect.

(c) If the Additional Bonds are to be issued for the purpose of refunding all or a portion of any series of Outstanding Bonds, the issuance of such Additional Bonds shall either result in a net present value debt service savings of not less than 2 percent of the principal amount of the Bonds to be refunded or the issuance of such Additional Bonds shall satisfy the applicable tests set forth in subsections (b) and (c) above.

(d) The Municipality covenants and provides in the Bond Resolution that the Additional Bonds Resolution shall provide that the Debt Service Reserve Account shall be additionally fully funded in an amount equal to the Reserve Account Requirement.

(e) The Additional Bonds Resolution must provide that principal shall mature on the Payment Date on which principal is due and interest shall come due on the Payment Date on which interest is due.

All of such Additional Bonds, regardless of the time or times of their issuance shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment therefrom without preference of any Bonds over any other.

The Municipality shall not issue any obligations whatsoever payable from the Net Revenues of the System which rank equally as to lien and source and security for their payment from such Net Revenues with the Bonds, except in the manner and under the conditions provided above. The Municipality may issue bonds junior and subordinate to the Bonds at any time, provided that the issuance of such bonds does not violate any covenants of the Municipality concerning any of its then Outstanding Bonds.

Defeasance of Series 2019 Bonds. If the Municipality shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2019 Bonds the principal of, premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Bond Resolution, then the pledge of any Net Revenues, and other funds and securities pledged under the Bond Resolution and all covenants, agreements and other obligations of the Municipality to the Bondholders, shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 2019 Bonds or interest installments for the payment or redemption of which funds shall have been set aside and shall be held in trust by the Paying Agent (through deposit by the Municipality of funds for such payment or redemption or otherwise) shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph under this subheading. All Outstanding Series 2019 Bonds shall prior to the maturity or redemption date thereof be deemed to have been paid within the meaning and with the effect expressed in the first paragraph under this subheading if (a) in case any of said Series 2019 Bonds are to be redeemed on any date prior to their maturity, the Municipality shall have adopted a resolution or order directing the call and redemption of such Series 2019 Bonds on said date and (b) there shall have been deposited with the Paying Agent either funds in an amount which shall be sufficient, or funds which shall be invested in direct obligations of the United States of America or obligations the principal of and interest on which is guaranteed by the United States of America and which are not redeemable prior to their maturity by the issuer or any other person other than the holder thereof, the principal of and the interest on which when due will provide money which, together with the funds, if any, deposited with the Paying Agent at the same time, shall be sufficient, without reinvestment, to pay when due the principal and interest due and to become due on said Series 2019 Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (c) in the event said Series 2019 Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Municipality shall have adopted a resolution or order directing the call and redemption of such Series 2019 Bonds on such date. Neither investments nor funds deposited with the Paying Agent pursuant to the provisions under this subheading nor principal or interest payments on any such investments shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or interest payments on the Series 2019 Bonds; provided, that if the interest on such investments deposited with the Paying Agent, if not then needed for such purpose, may to the extent practicable and legally permissible, be reinvested in investments of the type allowed in the Bond Resolution maturing at times and in amounts sufficient to pay when due the principal or interest due on the interest date or maturity date of the Series 2019 Bonds, as the case may be, and interest earned from such reinvestments may be paid over to the Municipality, as received by the Paying Agent, free and clear of any trust, lien or pledge.

Amounts paid by the Bond Insurer, if any, to the Holders of the Series 2019 Bonds shall not constitute the payment of the Series 2019 Bonds pursuant to the Bond Resolution, and the Series 2019 Bonds shall continue to be Outstanding and the amounts due thereon shall continue to be due and owing under the Bond Resolution until paid in accordance therewith.

Modification or Amendment. (a) No material modification or amendment of the Bond Resolution or of any resolution amendatory thereof or supplemental thereto, may be made without the consent in writing of the Holders of two-thirds or more in principal amount of the Series 2019 Bonds then Outstanding; provided, however, that no modification or amendment shall permit a change in the maturity of the Series 2019 Bonds or a reduction in the rate of interest thereon, or affect the unconditional promise of the Municipality to fix, maintain and collect fees, rentals and other charges for the System or to pay the interest and principal on the Series 2019 Bonds, as the same mature and become due, from the Net Revenues of the System, or reduce such percentage of Holders of the Series 2019 Bonds required above for such modification or amendment without the consent of the Holders of all of the Series 2019 Bonds.

(b) The foregoing shall not be construed to prohibit supplemental amendments of the Bond Resolution without the consent of Bondholders for the following purposes:

(1) to add to the covenants and agreements of the Municipality contained in the Bond Resolution 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 the Bond Resolution;

(2) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provision contained in the Bond Resolution or in any supplemental resolution or to make any provisions with respect to matters arising under the 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 the Bond Resolution or any supplemental resolution and do not adversely affect the interests of the Holders of the Series 2019 Bonds;

(3) to subject to the lien of the Bonds and the pledge contained in the Bond Resolution additional Revenues or receipts;

(4) to provide for the use of a Reserve Fund Surety Bond in the Debt Service Reserve Account; or

(5) to provide for the issuance of Additional Bonds.

(c) Notwithstanding any provision therein to the contrary, the Bond Resolution may be amended by resolution of the Municipality prior to the delivery of any of the Series 2019 Bonds with the consent of the Purchaser and the Bond Insurer, if any.

TAX EXEMPTION

Exclusion from Gross Income Pursuant to Section 103 of the Internal Revenue 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 Series 2019 Bonds earned by the respective owners thereof is excludable from gross income for federal income tax purposes pursuant to the Code.

The Code includes certain restrictions, conditions and requirements, compliance with which subsequent to issuance of the Series 2019 Bonds is necessary in order that interest on the Series 2019 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 Series 2019 Bonds is necessary in order that interest on the Series 2019 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 Series 2019 Bonds to be includable in gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2019 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 Series 2019 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 2019 Bonds will not be "specified private activity bonds."

Certain Other Provisions of the Code Affecting Owners of the Series 2019 Bonds; Other Federal Tax Consequences of Interest on the Series 2019 Bonds.

Branch Profits Tax. Interest on the Series 2019 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 Series 2019 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 Series 2019 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 Series 2019 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 Series 2019 Bonds are not "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

Bond Counsel is of the opinion that under existing law, interest on the Series 2019 Bonds earned by the respective owners thereof is exempt from State of Mississippi income taxes.

Bond Counsel Opinion. Bond Counsel will not address or opine with respect to any federal tax consequences arising with respect to the Series 2019 Bonds, other than its opinion with respect to the exclusion of interest on the Series 2019 Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Code, its opinion that the Series 2019 Bonds are "qualified tax-exempt obligations," and its opinion that the Series 2019 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 Series 2019 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 Series 2019 Bonds will not adversely affect the tax consequences of owning the Series 2019 Bonds, the exclusion of interest on the Series 2019 Bonds from gross income for federal income tax purposes or the market price of the Series 2019 Bonds.

VALIDATION

The Series 2019 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.

APPROVAL OF LEGAL PROCEEDINGS

All legal matters in connection with the authorization and issuance of the Series 2019 Bonds are subject to the final approval of the legality thereof by Bond Counsel. Copies of such opinion will be available at the time of delivery of the Series 2019 Bonds. No representation is made to the Registered Owners of the Series 2019 Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Official Statement and Bond Counsel assumes no responsibility to the Registered Owners of the Series 2019 Bonds except for the matters set forth in such opinion.

LITIGATION

No litigation is pending or, to the knowledge of the Municipality, threatened in any court to restrain or enjoin the issuance or delivery of any of the Series 2019 Bonds or the collection of Revenues pledged or to be pledged to pay the principal of and interest on the Series 2019 Bonds, or in any way contesting or affecting the validity of the Series 2019 Bonds or the Bond Resolution or the power to collect and pledge said Revenues to pay the Series 2019 Bonds, or contesting the powers or authority of the Municipality to issue the Series 2019 Bonds or adopt the Bond Resolution.

OFFICIAL STATEMENT CERTIFICATE

The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. At the time of the delivery of the Series 2019 Bonds, the representative of the Purchaser will receive a certificate signed on behalf of the Municipality by an authorized officer of the Municipality acting solely in his/her official capacity, substantially to the effect that to the best of his/her knowledge and belief, as of the date of the delivery of the Series 2019 Bonds to the Purchaser, this Official Statement, excluding the Appendices, as then supplemented or amended, does not contain an untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein in the light of the circumstances under which they were made, not misleading. In rendering such certificate, the official executing the certificate may state that he/she has relied in part on his/her examination of the records of the Municipality relating to matters within his/her own area of responsibility, and discussions with, or certificates or correspondence signed by, certain other officials, employees, consultants and representatives of the Municipality.

REGISTRATION, SALE, AND DISTRIBUTION

The Series 2019 Bonds have not been registered under the Securities Act of 1933, as amended (in reliance upon an exemption therefrom), or the blue sky laws of any jurisdiction. No assurance can be given that any trading market will develop for the Series 2019 Bonds after their initial sale by the Municipality. The Municipality has no control over the prices at which the Series 2019 Bonds will be initially reoffered to the public.

THE MUNICIPAL ADVISOR

The Municipality has retained the firm of Government Consultants, Inc., Madison, Mississippi (the "Municipal Advisor"), as an independent Municipal Advisor to the Municipality in connection with the issuance of the Series 2019 Bonds. In such capacity the Municipal Advisor has provided recommendations and other financial guidance to the Municipality with respect to the preparation of documents, the preparation for the sale of the Series 2019 Bonds and of the time for the sale, tax-exempt bond market conditions and other factors related to the sale of said Series 2019 Bonds.

Although the Municipal Advisor performed an active role in preparing this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from municipal records and from other sources which are believed to be reliable, including financial records of the Municipality and other entities which may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the Municipality. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of same and reference is made to such original sources in all respects.

AUDITORS

The financial statements of the Municipality as of September 30, 2017, have been audited by Watkins, Ward and Stafford, PLLC, Starkville, Mississippi, independent certified public accountants, as set forth in their report thereon appearing as "**APPENDIX B**" hereto. Watkins, Ward and Stafford, PLLC has not performed any procedures relating to this Official Statement.

RATING

Moody’s Investors Service, Inc. has assigned a rating of "___" to the Bonds. An explanation of the significance of such rating may be obtained from Moody’s Investors Service, Inc.

There is no assurance that present or future ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies, if in the judgment of any or all of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any or all of such ratings may have an adverse effect on the market price of the Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

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 Series

2019 Bonds, the security for the payment of the Series 2019 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.

The Municipality has prepared this Preliminary Official Statement which it deems, for purposes of Rule 15c2-12 of the Securities and Exchange Commission, to be final and complete as of its date, except for the omission of the offering prices, interest rates,, and any other terms of the Series 2019 Bonds depending on such matters, and the identity of the Purchaser, subject to revision, amendment, and completion in a final Official Statement. By submission of its bid, the successful bidder will be deemed to have certified that it has obtained and reviewed this Preliminary Official Statement. Upon the sale and award of the Series 2019 Bonds, the Municipality will publish an Official Statement in substantially the same form as this Preliminary Official Statement subject to minor additions, deletions and revisions as required to complete this Preliminary Official Statement. The successful bidder must notify the Clerk of the Municipality in writing within five business days of the sale and award if the bidder requires additional copies of the Official Statement to comply with applicable regulations. The cost for such additional copies will be paid by the successful bidder requesting such copies. By submission of its bid, the successful bidder will be deemed to have agreed to supply to the Municipality all necessary pricing information and any Purchaser identification determined by the Municipality to be necessary for the Official Statement within 24 hours after the sale and award of the Series 2019 Bonds.

A copy of this Preliminary Official Statement may be obtained from:

Lesa Hardin, City Clerk
l.hardin@cityofstarkville.org
City Hall
110 West Main Street
Starkville, Mississippi 38654

or

Brad C. Davis, Esq.
bdavis@joneswalker.com
Jones Walker LLP
P. O. Box 427
Jackson, Mississippi 39205-0427

CITY OF STARKVILLE, MISSISSIPPI

BY: /s/ Lynn Spruill
Mayor

/s/ Lesa Hardin
City Clerk

APPENDIX A

GENERAL INFORMATION REGARDING THE MUNICIPALITY AND ITS ECONOMY

(For Informational Purposes Only)

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:

	2017	2010	2000	1990	1980
The Municipality	25,352	23,888	21,869	18,474	16,139
The County	49,799	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:

Name	Occupation	Position Held Since
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.

Year	County	Mississippi	United States	County as % of U. S.
2018				
2017	32,464	36,636	51,640	62.87%
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%

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:

Employer	Employees	Product/Service
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 Ended June 30	Starkville	Oktibbeha County
2018	$554,800,486	$765,063,477
2017	543,449,953	740,610,467
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 Ended June 30	Amount
2018	$6,962,566
2017	6,953,218
2016	6,805,249
2015	6,350,826
2014	5,884,847
2013	5,666,165

SOURCE: Mississippi Department of Revenue website: http://www.dor.ms.gov

Employment Statistics of the County.

	2013	2014	2015	2016	2017	2018
Residence Based Amounts.						
Civilian Labor Force	20,720	22,100	22,550	23,000	23,040	22,930
Unemployed	1,780	1,590	1,410	1,260	1,110	1,050
Unemployment Rate	8.6	7.2	6.3	5.5	4.80	4.60
Employed	18,940	20,510	21,140	21,740	21,930	21,880
Establishment Based Amounts.						
Manufacturing	1,400	1,500	1,620	1,660	1,690	1,660
Nonmanufacturing	19,690	20,290	20,410	20,600	20,890	21,050

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 2018-19 and for the four preceding years are as follows:

Scholastic Year	Enrollment
2018-19	5,078
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.

Assessment Year	Real Property	Personal Property	Public Utility Property	Total
2018				
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, __________, 2019.

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.

	2019	2018	2017	2016	2015	2014
General Purposes.						
General Revenue Purposes & General Improvements		$25.58	$25.58	$21.98	$21.98	$21.98
		$25.58	$25.58	$21.98	$21.98	$21.98
School Purposes.						
District Maintenance		***	***	***	***	$51.46
Limited Tax Note & Int. Sinking Fund		***	***	***	***	2.61
Millsaps Vocational Ct.		***	***	***	***	1.00
1995 Bond & Int. Skg. Fd.		***	***	***	***	3.23
2008 Bond & Int. Fd		***	***	***	***	8.27
						$66.57
						$88.55

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, __________, 2019.

Ad Valorem Tax Collections.

Year Ended September 30	Taxes Due	Taxes Collected[1]	Difference Over (Under)
2018			
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, __________, 2019.

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 (15^{th}) 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 March 1, 2019)

	15% Limit	20% Limit
Authorized Debt Limit (Last Completed Assessment for Taxation - $242,475,622)	$36,371,343	$48,495,124
Present Debt Subject to Debt Limits	26,005,000	28,991,166
Margin for Further Debt Under Debt Limits after Issuance of the Bonds	**$10,366,343**	**$19,503,958**

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 March 1, 2019)

Issue	Date of Issue	Amount Outstanding
Public Improvement Bonds	5/14/09	350,000
Public Improvement Bonds	11/19/09	350,000
Refunding Bonds	3/22/11	905,000
Utility Refunding Bonds	10/18/12	1,741,166
Utility Refunding Bonds	5/17/13	340,000
Public Improvement Bonds	6/25/15	2,405,000
Public Improvement Bonds 2016A	10/15/16	2,780,000
Public Improvement Bonds 2016B	10/15/16	2,225,000
Taxable Development Bonds	10/12/17	6,650,000
Refunding Bonds	4/24/18	6,745,000
Public Improvement Bonds	4/30/18	4,500,000
		$28,991,166

Certificates of Participation.
(as of March 1, 2019)

Issue	Date of Issue	Amount Outstanding
Certificates of Participation, Series 2013[1]	6/13/13	$1,760,000

[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.

APPENDIX B

FINANCIAL STATEMENTS AND SPECIAL REPORTS
YEAR ENDED SEPTEMBER 30, 2017

<u>APPENDIX C</u>

FORM OF BOND COUNSEL OPINION

_________________, 2019

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 $10,000,000 Combined Water and Sewer System Revenue Bonds, Series 2019, dated ___________, 2019 (the "Series 2019 Bonds") pursuant to the provisions of Sections 21-27-11 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and a bond resolution (the "Bond Resolution") of the Municipality adopted ___________, 2019, authorizing the issuance of the Series 2019 Bonds.

All capitalized terms not defined herein shall have the meanings given to them in the Bond Resolution.

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion, including but not limited to the Act and the Bond Resolution.

As to questions of fact material to our opinion, we have relied upon the representations of the Municipality contained in the Bond Resolution and in 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 Series 2019 Bonds.

Based upon our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

1. The Municipality is duly created and validly existing as a body corporate and politic and public instrumentality of the State of Mississippi with the corporate power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Series 2019 Bonds.

2. The Bond Resolution has been duly adopted by the Municipality and constitutes a valid and binding obligation of the Municipality enforceable upon the Municipality.

3. Pursuant to the Act, the Bond Resolution creates a valid lien on the funds pledged by the Bond Resolution for the security of the Series 2019 Bonds issued pursuant to the requirements set forth in the Bond Resolution, pledged on a parity of lien with any Additional Bonds issued in accordance with the provisions of the Bond Resolution.

4. The Series 2019 Bonds have been duly authorized, executed and delivered by the Municipality and are valid and binding special obligations of the Municipality, payable solely from the sources provided therefor in the Bond Resolution. The Series 2019 Bonds and the

payment of debt service are not secured by an obligation or pledge of any funds raised by taxation and the Series 2019 Bonds do not represent or constitute a pledge of the general credit of the Municipality.

5. Subject to the condition set forth in the immediately succeeding sentence, (a) the interest on the Series 2019 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 Series 2019 Bonds are not "specified private activity bonds" and interest on the Series 2019 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 Municipality comply with all requirements of the Internal Revenue Code of 1986 (the "Code"), compliance with which subsequent to the issuance of the Series 2019 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 Series 2019 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2019 Bonds. The Series 2019 Bonds are <u>not</u> qualified tax-exempt obligations as such term is used in Section 265(b)(3) of the Code. We express no opinion regarding other federal tax consequences arising with respect to the Series 2019 Bonds.

6. Under existing statutes, regulations and court decisions as presently interpreted and construed, interest on the Series 2019 Bonds earned by the respective owners thereof is excludable from gross income for purposes of computing income taxes imposed by the State of Mississippi.

7. The Series 2019 Bonds are exempt from registration under the Securities Act of 1933 and Mississippi securities laws and the Bond Resolution is exempt from qualification under the Trust Indenture Act of 1939.

The rights of the holders of the Series 2019 Bonds and the enforceability thereof and of the Bond Resolution 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 also be subject to the exercise of judicial discretion in appropriate cases.

Respectfully submitted,

Jones Walker LLP

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT
OF THE CITY OF STARKVILLE, MISSISSIPPI

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Certificate") is executed and delivered by the City of Starkville, Mississippi (the "Issuer"), in connection with the issuance of its $10,000,000 Combined Water and Sewer System Revenue Bonds, Series 2019, dated May 1, 2019 (the "Series 2019 Bonds"). The Series 2019 Bonds are being issued pursuant to a resolution adopted by the Mayor and Board of Alderman (the "Board") of the Issuer on March 5, 2019 (the "Bond Resolution"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer 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 Issuer 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 Series 2019 Bonds (including persons holding Series 2019 Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Series 2019 Bonds for federal income tax purposes.

"Dissemination Agent" means a banking institution or other person or entity appointed by resolution of the Issuer as the Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Issuer and which has provided the Issuer 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(a) 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 ________________, pertaining to the Series 2019 Bonds.

"Participating Underwriter" means any of the original underwriters of the Series 2019 Bonds required to comply with the Rule in connection with offering of the Series 2019 Bonds.

"Required Electronic Format" means the electronic format then prescribed by the SEC or the MSRB pursuant to the Rule.

"Repository" means each National Repository and the State Repository.

"Rule" means Rule l5c2-12(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 (12) months after the end of the Issuer's fiscal year (presently September 30), commencing with the report for the 2019 fiscal year.

SECTION 3. Provision of Annual Reports.

(a) The Issuer 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 Issuer 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. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) Business Days prior to the Submission Date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). If the Issuer is unable to provide to the Repositories an Annual Report by the Submission Date, the Issuer 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 Issuer, file a report with the Issuer 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 Issuer's Annual Report shall contain or include by reference (a) financial information of the type included in the subsections of the Official Statement Entitled "*The Combined Water And System Of The Municipality*" and (b) the audited financial statements of the Issuer 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. If the Issuer's audited financial statements are not available by the Submission Date, the audited financial statements shall be filed in the same manner as the Annual Report when they become available. 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 Issuer 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 Issuer 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;

(15) incurrence of a financial obligation (as defined in the Rule) of the Municipality, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Municipality, any of which may affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Municipality, any of which reflect financial difficulties.

The events listed above are quoted from the Rule and some may not be applicable to the Municipality or the Series 2019 Bonds.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2019 Bonds. If such termination occurs prior to the final maturity of the Series 2019 Bonds, the Issuer shall give notice of such termination in the manner as for a Listed Event under Section 5(c).

SECTION 7. Dissemination Agent. The Issuer 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 Issuer pursuant to this Disclosure Certificate. From the date hereof until such time (if any) that the Issuer appoints a Dissemination Agent, or if a Dissemination Agent appointed by the Issuer resigns or is discharged and the Issuer does not appoint a successor Dissemination Agent, the Issuer, acting through the City Clerk of the Issuer, 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 Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of an obligated person with respect to the Series 2019 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2019 Bonds after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (1) is approved by the Bondholders in the same manner as provided in the Bond Resolution for amendments to the Bond Resolution with the consent of Bondholders or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (a) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (b) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2019 Bonds.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and the Bondholders and Beneficial Owners from time to time of the Series 2019 Bonds, and shall create no rights in any other person or entity.

Date: ______________, 2019

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	$10,000,000 Combined Water and Sewer System Revenue Refunding Bonds, Series 2019, dated May 1, 2019.
Date of Issuance:	__________________, 20__.

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-referenced Series 2019 Bonds as required by the Bond Resolution. The Issuer anticipates that the Annual Report will be filed by _____________, 20__.

Date: _____________, 20__.

CITY OF STARKVILLE, MISSISSIPPI

BY:_________________________________
City Clerk

ATTACHMENT B

POST ISSUANCE COMPLIANCE PROCEDURES

PROCEDURES FOR POST-ISSUANCE COMPLIANCE

CITY OF STARKVILLE, MISSISSIPPI
$10,000,000
COMBINED WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019

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 City of Starkville, Mississippi (the "Municipality" or 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 Municipality will 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 Municipality 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 Municipality designates the City Clerk of the Municipality (the “City Clerk”) and the General Manager of the combined water and sewer system of the Municipality (the “General Manager”) as the primary persons responsible for compliance with this policy (the “Responsible Parties”). The Responsible Parties will coordinate efforts with the Mayor and Board of Aldermen and other parties working with the Municipality 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 Municipality 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 Municipality or its tax-exempt financings for, or in relation to conduit transactions with, the Municipality

With respect to each issue of tax-exempt bonds, the Municipality hereby requires, and each Municipality 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

<u>Separate Bank Account</u>

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 Municipality 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

<u>Investments and Arbitrage Compliance</u>

Many of the Code provisions deal with restrictions if bond proceeds are invested at a yield higher than the yield on the bonds. The Responsible Parties are 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 Responsible Parties will monitor compliance with rebate and yield restriction rules on an annual basis.

With respect to each issue of tax-exempt bonds, the Municipality 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 Responsible Parties are 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 Responsible Parties 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 Municipality will 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 Municipality is not in compliance with the arbitrage requirements imposed by the Code or the Municipality 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 Municipality determines or is advised that corrective action is necessary with respect to any issue of its tax-exempt obligations, the Municipality 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 Municipality are selected for examination by the IRS, the Municipality will retain qualified and experienced counsel to represent the Municipality and will work with such counsel to provide such documents and information requested by the IRS as are in the possession of the Municipality.

Policy Supplemental to all Existing Policies

This Policy is supplemental to all existing policies of the Municipality.

City of Starkville, Mississippi

By: ______________________________
City Clerk

By: ______________________________
General Manager

Dated: ____________________

(seal)

16. CONSIDERATION OF A SPECIAL EVENT REQUEST BY THE GREATER STARKVILLE DEVELOPMENT PARTNERSHIP TO HOLD THE ANNUAL KING COTTON CRAWFISH BOIL TO BE HELD MAY 10, 2019 AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES.

Alderman Walker, duly seconded by Alderman Sistrunk, offered a motion to approve a Special Event request by the Greater Starkville Development Partnership to hold the annual King Cotton Crawfish Boil on May 10, 2019 and have City participation with in-kind services. 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.

17. CONSIDERATION OF A SPECIAL EVENT REQUEST BY THE GREATER STARKVILLE DEVELOPMENT PARTNERSHIP TO HOLD A NEW SPECIAL EVENT CALLED TACO HOP TO BE HELD APRIL 6, 2019 AND HAVE CITY PARTICIPATION WITH IN-KIND SERVICES.

Alderman Little, duly seconded by Alderman Miller, offered a motion to approve a Special Event request by the Greater Starkville Development Partnership to hold a new special event called Taco Hop to be held April 6, 2019 and have City participation with in-kind services. 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.

18. CONSIDERATION OF VA 19-02 A REQUEST BY TEP STARKVILLE LLC FOR VARIANCE RELIEF FROM FRONT SETBACK REQUIREMENTS ON TWO PROPERTIES LOCATED APPROXIMATELY 360' SOUTHEAST OF THE CENTER OF THE INTERSECTION OF HIGHWAY 12 EAST AND PAT STATION ROAD DIRECTLY EAST OF THE LA QUINTA INN IN AN C-2 AND R-5 ZONING DISTRICT WITH THE PROPERTY #117-25-021.00.

Daniel Havelin presented VA 19-02. TEP Starkville, LLC is in the process of developing a mixed use development on the site. The development consists of two parcels. Parcel 1 will be a multi-family development and parcel 2 will be a mixed use development with commercial and multi-family residential. In order to achieve the proposed site plan, a front setback variance from the proposed new road will be required. The requested variance on parcel 2 is to reduce the front setback requirement from 20' to 10'. The requested variance on parcel 1 is to reduce the front setback requirement from 25' to 10'. The applicant is requesting relief from Appendix A- Zoning, Article VII. - District Regulations, Section G. (3) and Section L (4).

Alderman Little, duly seconded by Alderman Sistrunk, offered a motion, based on the variance criteria in the staff report, to approve VA 19-02 a request by TEP Starkville LLC for Variance relief from front setback requirements on two properties located approximately 360' southeast of the center of the intersection of Highway 12 East and Pat Station Road directly east of the La Quinta Inn in an C-2 and R-5 zoning district with the property #117-25-021.00.

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.

19. CONSIDERATION OF VA 19-03 A REQUEST BY CYNTHIA HOOD ON BEHALF OF DR. LINDSEY WARNER TO ALLOW FOR A SIGN WITHIN FIVE FEET OF THE PROPERTY LINE LOCATED 303 HOSPITAL ROAD IN A C-1 ZONE WITH THE PARCEL # 118J-00-042.00.

Daniel Havelin presented VA 19-03. The applicant is requesting relief from setback requirements from the right-of-way for monument signs. The applicant is currently in the process of renovating and expanding the existing dental office. Due to some existing site constraints, the applicant is requesting a variance to locate a new monument style sign within the five-foot sign setback from the right-of-way. Alderman Little, duly seconded by Alderman Walker, offered a motion based on the variance criteria in the staff report to approve VA 19-03, a request by Cynthia Hood on behalf of Lindsey Warner to allow for a sign within five feet of the property line located 303 Hospital Road in a C-1 zone with the parcel # 118J-00-042.00. 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.

20. CONSIDERATION OF VA 19-04 A REQUEST BY NEIL COUVILLION FOR A VARIANCE FROM FRONT SETBACK REQUIREMENTS FOR A PROPOSED SINGLE FAMILY HOME IN A R-5 ZONE LOCATED AT 105 GILLESPIE ST. WITH THE PARCEL # 102A-00-196.00.

Daniel Havelin presented VA 19-04. The applicant is requesting relief from front setback requirements for a proposed single-family dwelling. The applicant is requesting a setback 13.9 ft. in lieu of the required 25 ft. setback for R-5 zoning districts. The applicants are in the process of designing a new traditional style single-family home on an existing small lot. They would like to place the driveway and parking along the side and rear of the house. To do this, they will need relief from the front setback requirement.

Mr. Couvillion noted he is looking to recreate the original character and quality of the neighborhood and he would appreciate the Board granting the variance.

Alderman Vaughn, duly seconded by Alderman Little, offered a motion based on the variance criteria in the staff report to approve VA 19-04, a request by Neil Couvillion for a variance from front setback requirements for a proposed single family home in a R-5 zone located at 105 Gillespie St. with the parcel # 102A-00-196.00. Alderman Walker asked that a sidewalk be added from the east to west property line that conforms to the City sidewalk standard. Alderman Vaughn accepted this as an amendment to the motion and express condition of approval. 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.

21. CONSIDERATION OF VA 19-05 A REQUEST BY BALTON SIGN CO. FOR VARIANCE RELIEF FROM WALL SIGN SIGNAGE SIZE REQUIREMENTS FOR A BUSINESS LOCATED AT 1301 STARK ROAD IN A C-2 ZONE WITH THE PARCEL #103H-00-016.07.

Daniel Havelin presented VA 19-05. The applicant has recently remodeled the existing business. As part of the remodel, new signage is being proposed. The applicant is requesting to use wall signage that has a total square footage of 239 square feet. The maximum allowed within a C-2 zoning district is 150 square feet. The applicant is requesting relief from 150 square foot requirement for wall signs.

Alderman Walker, duly seconded by Alderman Little, offered a motion based on the variance criteria in the staff report to approve VA 19-05, a request by Balton Sign Co. for Variance relief from wall sign signage size requirements for a business located at 1301 Stark Road in a C-2 with the parcel #103H-00-016.07 contingent upon the "TIRES" signage being removed from the request and only the larger "GATEWAY" corporate signage being installed.

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: 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.

22. CONSIDERATION OF THE CITY OF STARKVILLE CLAIMS DOCKET

Upon the motion of Alderman Little, duly seconded by Alderman Walker, to approve the City of Starkville Claims Docket for all departments including Starkville Utilities, as of February 26, 2019 for fiscal year ending 9/30/19, 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. 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	$ 304,710.44
Restricted Fire Fund	003	29,922.67
Airport Fund	015	24,894.47
Sanitation	022	56,325.63
Landfill	023	2,091.70
Computer Assessments	107	175.00
Industrial Park Bond	303	198,170.29
Park and Rec, Tourism	375	1,311.25
Trust & Agency	610	13,884.77
Economic Dev, Tourism, Conv	630	80,315.11
Sub Total Before Utilities		$ 711,801.33
Utilities Dept.	SED	772,824.51
Total Claims	Total	$ 1,484,625.84

23. CONSIDERATION OF A FACILITY USE AGREEMENT WITH CROSSPOINT CHURCH.

Alderman Little, duly seconded by Alderman Miller, offered a motion to approve a facility use agreement with Crosspoint Church with section 1.03 applying to all services. 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. (Agreement on following page)

24. CONSIDERATION OF THE APPROVAL OF THE FACILITY USE AGREEMENT WITH SWING ELITE 11U FOR USE OF A BASEBALL FIELD.

Alderman Walker recused himself due to his son being on the Swing Elite 11U team.

Alderman Little, duly seconded by Alderman Miller, offered a motion to approve a facility use agreement with Swing Elite 11U for use of a baseball field. The Board voted as follows:

Alderman Ben Carver Voted: Yea
Alderman Sandra Sistrunk Voted: Yea
Alderman David Little Voted: Yea
Alderman Jason Walker Voted: Recused
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. (Agreement follows CrossPoint)

STARKVILLE PARKS AND RECREATION DEPARTMENT
FACILITY USE AGREEMENT

This is an agreement by and between the **CITY OF STARKVILLE**, a Mississippi municipal corporation ("City"), by and through its authorized representative, and **CROSSPOINT CHURCH (**"User").

ARTICLE I
GENERAL TERMS

1.01 This Agreement shall be in effect from the date of execution until December 31, 2019. The City will permit the User to use the Travis Outlaw Gymnasium, two meeting rooms and the Activities Room, all located at 405 Lynn Lane, Starkville, Mississippi 39759 ("Facility"), for the duration of the agreement, for the purposes of church services. The City and User shall have the option to immediately terminate this Agreement at any time with or without cause with a minimum ninety (90) day notice.

1.02 The schedule of facilities dates and times are subject to change at the discretion of the City. Any changes shall be communicated at least sixty (60) days in advance.

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) Total fee of $400 per use, paid on a monthly basis.

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 all litter from Facility, including all meeting rooms, aerobics room and gymnasium, prior to leaving and 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) Installation and removal of the basketball floor cover before and after each use of the Facility.

(e) Ensuring all organization 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)** Maintaining the facility properly to include regular inspection of all structures including doors and windows, replacing air filters and all other necessary maintenance required to keep the facility at a proper temperature, and any other maintenance needed to ensure public safety and proper use of the facility.
>
> **(b)** Cleaning and stocking of restrooms
>
> **(c)** 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 failure to adhere to these rules.

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

1.08 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.

1.09 The User acknowledges decisions regarding facility usage priority for other user groups is at the City's discretion.

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 shall 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 is 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.

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 members, 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 in an official capacity with any organization involved in the User's activities. These checks shall be conducted on an annual basis 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. User's Certificate of Insurance

CROSSPOINT CHURCH	**CITY OF STARKVILLE**
By:___________________________________	By:___________________________________ Mayor
Printed Name:_________________________	Date:____________________
Title:________________________________	
Date:____________________	

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 **SWING ELITE 11U,** a non-recreational youth baseball team with players that reside in Starkville, hereinafter referred to as the "User."

ARTICLE I
GENERAL TERMS

1.01 This Agreement shall be in effect from the date of execution until December 31, 2019. The City will permit the User to use one field located at McKee Park, address 405 Lynn Lane, Starkville, Mississippi 39759 for the duration of the agreement, herein after referred to as the "Facility" for the purposes of team practices. While primary use by the User shall be at the McKee Park, if necessary, other fields or facilities may be used, including fields or facilities at locations other than McKee Park. The City shall have the option to immediately terminate this Agreement with or without cause with a minimum thirty (30) day notice.

1.02 The schedule of facilities dates and times 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.

(c) The User shall also pay the City a deposit of two-hundred and fifty and no/100 Dollars ($250.00). This deposit shall be credited towards the final payment if no damage to the facility occurs. If damage does occur, the amount needed to repair the damage will be deducted from the deposit and the remaining balance will be applied towards the final payment. If damage repair cost exceeds the deposit amount, the remaining amount above the deposit will be billed to the user.

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

(a) 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.

1.10 The User acknowledges decisions regarding field usage priority for other user groups is at the City's discretion.

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

If necessary, 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. User's Certificate of Insurance

By: ______________________________
Printed Name: ____________________
Title: ____________________________
Date: ____________________________

By: ______________________________
Title: Mayor
Date: 3-5-19

25. CONSIDERATION OF A RESOLUTION BY THE CITY OF STARKVILLE BOARD OF ALDERMEN TO RESCIND A JOINT SEWER BILLING AND DISCONNECTION AGREEMENT WITH THE OKTOC COMMUNITY WATER ASSOCIATION.

Alderman Walker, duly seconded by Alderman Sistrunk, offered a motion to approve a Resolution by the City of Starkville Board of Aldermen to rescind a joint sewer billing and disconnection agreement with the Oktoc Community Water Association. 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: Absent

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

A RESOLUTION BY THE CITY OF STARKVILLE BOARD OF ALDERMEN TO RESCIND A JOINT SEWER BILLING AND DISCONNECTION AGREEMENT WITH THE OKTOC COMMUNITY WATER ASSOCIATION

WHEREAS, on May 16, 2017, The City of Starkville ("City") and the Oktoc Community Water Association ("OCWA") executed a joint billing and disconnection agreement ("Agreement") for sewer services provided by the City in the OCWA's certificated area; and

WHEREAS, the OCWA and the City have subsequently filed a joint petition to cancel a portion of the OCWA's certificated area with the Mississippi Public Service Commission ("PSC"); and

WHEREAS, the OCWA was willing to cancel said portion of their certificated area to be served by the City under the condition that the aforesaid Agreement be rescinded by the City; and

WHEREAS, the PSC issued an Order, effective February 26, 2019, cancelling said portion of OCWA's certificated area.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF ALDERMEN OF THE CITY OF STARKVILLE that the joint sewer billing and disconnection Agreement executed by the City of Starkville and the Oktoc Community Water Association, dated May 16, 2017, is hereby rescinded and rendered null and void.

Alderman Jason Walker moved and Alderman Sandra Sistrunk seconded the motion to adopt the foregoing resolution, and the question being put to a vote, the result was as follows:

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

The measure having received the affirmative vote of a majority of the members present, the Mayor declared the motion carried and adopted this day of March 5, 2019.

D. Lynn Spruill
Mayor, City of Starkville, MS

Attested:

Lesa Hardin, City Clerk

CITY OF STARKVILLE STATE OF MISSISSIPPI

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26. 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 Little, 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:

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: Absent

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

27. A MOTION TO ENTER EXECUTIVE SESSION.

Alderman Vaughn offered a motion to enter Executive Session for the purpose of potential litigation relating to a wastewater backup claim. Following a second by Alderman Miller, 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 a majority 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 potential litigation relating to a wastewater backup claim. At this time, the Board entered Executive Session.

28. CONSIDERATION OF A MOTION TO RETURN TO OPEN SESSION.

Alderman Little offered a motion to return to Open Session. Alderman Walker 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.

The Mayor invited the public back in and then announced that the Board had taken no action in Executive Session.

29. MOTION TO RECESS UNTIL MARCH 19, 2019 @ 5:30 IN THE COURT ROOM AT 110 WEST MAIN STREET.

Upon the motion of Alderman Miller, duly seconded by Alderman Walker, for the Board of Aldermen to Recess the meeting until March 19, 2019 @ 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 ____________________ 2019.

Attest:

____
D. LYNN SPRUILL, MAYOR

____
LESA HARDIN, CITY CLERK

(SEAL)